5/9/2024

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES FOR FISCAL YEARS 2023-2033

(in millions of dollars)

		Total from corporations and individuals											
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023-2033
	National Defense												
1	Exclusion of benefits and allowances to armed forces personnel	$15,990	$16,600	$17,250	$17,940	$16,740	$16,990	$17,650	$18,440	$19,310	$20,250	$21,250	$182,420
	International affairs:												
2	Exclusion of income earned abroad by U.S. citizens	$5,420	$5,600	$5,730	$5,870	$6,000	$6,140	$6,280	$6,420	$6,570	$6,720	$6,880	$62,210
3	Exclusion of certain allowances for Federal employees abroad	$280	$300	$310	$330	$350	$370	$390	$410	$430	$450	$480	$3,820
4	Reduced tax rate on active income of controlled foreign corporations (normal tax method)	$45,190	$46,540	$47,940	$41,940	$43,200	$44,490	$45,830	$47,200	$48,620	$50,080	$51,580	$467,420
5	Deduction for foreign-derived intangible income derived from trade or business within the United States	$15,240	$15,690	$16,170	$9,950	$10,250	$10,560	$10,870	$11,200	$11,530	$11,880	$12,240	$120,340
6	Interest Charge Domestic International Sales Corporations (IC-DISCs)	$1,620	$1,690	$1,780	$2,010	$2,200	$2,330	$2,440	$2,560	$2,660	$2,770	$2,900	$23,340
	General science, space, and technology:												
7	Expensing of research and experimentation expenditures (normal tax method)	-$38,660	-$28,850	-$17,940	-$5,610	$0	$0	$0	$0	$0	$0	$0	-$52,400
8	Credit for increasing research activities	$28,220	$30,040	$31,880	$33,800	$35,710	$37,640	$39,640	$41,700	$43,840	$46,060	$48,340	$388,650
	Energy:												
9	Expensing of exploration and development costs, oil and gas	$700	$70	-$50	-$80	$140	$330	$350	$340	$330	$300	$290	$2,020
10	Expensing of exploration and development costs, coal	$50	$0	$0	-$10	$10	$30	$30	$30	$30	$30	$20	$170
11	Excess of percentage over cost depletion, oil and gas	$1,530	$1,590	$1,490	$1,470	$1,490	$1,530	$1,560	$1,610	$1,670	$1,740	$1,820	$15,970
12	Excess of percentage over cost depletion, coal	$90	$90	$90	$110	$110	$120	$130	$140	$140	$150	$150	$1,230
13	Exception from passive loss limitation for working interests in oil and gas properties	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
14	Enhanced oil recovery credit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
15	Marginal wells credit	$190	$180	$270	$270	$180	$80	$20	$0	$0	$0	$0	$1,000
16	Amortize all geological and geophysical expenditures over 2 years	$140	$150	$150	$150	$150	$150	$150	$140	$140	$140	$140	$1,460
17	Capital gains treatment of royalties on coal	$50	$50	$50	$50	$60	$50	$50	$50	$50	$50	$50	$510
18	Exclusion of interest on energy facility bonds	$0	$0	$0	$0	$10	$10	$10	$10	$10	$10	$0	$60
19	Qualified energy conservation bonds 1/	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30	$300
20	Exclusion of utility conservation subsidies	$50	$50	$40	$40	$40	$30	$30	$30	$30	$20	$20	$330
21	Credit for holding clean renewable energy bonds 1/	$70	$70	$70	$70	$70	$70	$70	$70	$70	$70	$70	$700
22	Energy production credit 1/	$7,450	$7,570	$9,530	$13,540	$19,580	$26,180	$31,610	$36,980	$41,090	$43,270	$47,260	$276,610
23	Energy investment credit 1/	$25,970	$27,510	$18,670	$13,760	$14,710	$12,600	$8,680	$17,190	$11,510	$11,040	$12,350	$148,020
24	Advanced nuclear power production credit	$30	$150	$220	$240	$270	$280	$280	$280	$240	$90	$10	$2,060
25	Zero-emission nuclear power production credit 1/	$0	$0	$0	$0	$0	$0	$0	$170	$790	$1,580	$630	$3,170
26	Reduced tax rate for nuclear decommissioning funds	$120	$120	$130	$130	$140	$150	$150	$160	$170	$170	$180	$1,500
27	Alcohol fuel credits 2/	$20	$20	$0	$0	$0	$0	$0	$0	$0	$0	$0	$20
28	Bio-Diesel and small agri-biodiesel producer tax credits 3/	$20	$20	$0	$0	$0	$0	$0	$0	$0	$0	$0	$20
29	Clean fuel production credit 1/ 4/	$0	$0	$4,940	$5,990	$6,490	$1,300	$330	$0	$0	$0	$0	$19,050
30	Clean hydrogen production credit 1/	$340	$540	$860	$1,330	$1,960	$2,780	$3,830	$5,170	$6,840	$8,910	$11,490	$43,710
31	Tax credits for clean vehicles 1/	$10,560	$15,570	$23,580	$28,930	$30,260	$26,230	$14,340	$4,670	-$3,080	-$11,320	-$17,130	$112,050
32	Tax credits for refueling property 1/	$170	$280	$460	$710	$990	$1,230	$1,510	$1,680	$1,830	$1,950	$630	$11,270
33	Allowance of deduction for certain energy efficient commercial building property	$430	$520	$610	$630	$630	$650	$690	$710	$740	$740	$710	$6,630
34	Credit for construction of new energy efficient homes	$280	$200	$210	$230	$230	$240	$240	$240	$240	$240	$240	$2,310
35	Credit for energy efficiency improvements to existing homes	$1,970	$1,580	$1,500	$1,420	$1,350	$1,280	$1,220	$1,160	$1,100	$1,050	$700	$12,360
36	Credit for residential energy efficient property	$7,090	$9,250	$6,150	$4,850	$4,000	$3,700	$4,620	$4,260	$4,310	$4,220	$4,180	$49,540
37	Advanced energy property credit 1/	$260	$1,170	$1,560	$1,010	$970	$1,090	$920	$190	$150	$260	$110	$7,430
38	Advanced manufacturing production credit 1/	$430	$790	$1,330	$1,940	$2,620	$6,990	$9,710	$9,290	$6,850	$2,980	$1,840	$44,340
	Natural resources and environment:												
39	Expensing of exploration and development costs, nonfuel minerals	$70	$0	$0	-$10	$10	$30	$40	$40	$30	$30	$30	$200
40	Excess of percentage over cost depletion, nonfuel minerals	$310	$330	$300	$310	$310	$310	$330	$340	$350	$360	$380	$3,320
41	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	$290	$230	$240	$260	$290	$290	$290	$320	$310	$310	$220	$2,760
42	Capital gains treatment of certain timber income	$150	$150	$160	$180	$200	$210	$220	$230	$240	$250	$270	$2,110
43	Expensing of multiperiod timber growing costs	$260	$260	$260	$280	$290	$300	$320	$320	$340	$360	$370	$3,100
44	Tax incentives for preservation of historic structures	$710	$670	$650	$650	$670	$700	$720	$770	$820	$850	$780	$7,280
45	Carbon oxide sequestration credit 1/	$330	$400	$510	$680	$1,500	$2,230	$2,670	$4,840	$7,070	$7,960	$8,290	$36,150
46	Deduction for endangered species recovery expenditures	$30	$40	$40	$40	$60	$60	$60	$70	$70	$80	$90	$610
	Agriculture:												
47	Expensing of certain capital outlays	$120	$120	$120	$140	$150	$150	$150	$140	$140	$140	$150	$1,400
48	Expensing of certain multiperiod production costs	$250	$260	$270	$310	$330	$330	$330	$320	$320	$320	$330	$3,120
49	Treatment of loans forgiven for solvent farmers	$60	$60	$60	$70	$70	$70	$70	$70	$70	$70	$70	$680
50	Capital gains treatment of certain agriculture income	$1,550	$1,530	$1,590	$1,770	$1,970	$2,070	$2,180	$2,280	$2,400	$2,530	$2,660	$20,980
51	Income averaging for farmers	$210	$210	$220	$230	$230	$230	$230	$230	$230	$230	$230	$2,270
52	Deferral of gain on sale of farm refiners	$15	$20	$20	$20	$20	$20	$20	$25	$25	$25	$25	$220
53	Expensing of reforestation expenditures	$60	$70	$70	$80	$80	$80	$80	$80	$80	$90	$90	$800
	Commerce and housing:												
	Financial institutions and insurance:												
54	Exemption of credit union income	$2,970	$2,940	$3,110	$3,300	$3,460	$3,570	$3,680	$3,820	$3,850	$3,900	$4,170	$35,800
55	Exclusion of life insurance death benefits	$15,320	$16,260	$16,670	$17,360	$18,320	$18,610	$19,020	$19,510	$19,980	$20,430	$20,880	$187,040
56	Exemption or special alternative tax for small property and casualty insurance companies	$1,400	$1,430	$1,470	$1,510	$1,540	$1,560	$1,590	$1,630	$1,670	$1,710	$1,750	$15,860
57	Tax exemption of insurance income earned by tax-exempt organizations	$370	$380	$390	$390	$400	$410	$420	$430	$430	$440	$440	$4,130
58	Exclusion of interest spread of financial institutions	$11,100	$9,010	$9,330	$9,810	$10,200	$10,360	$10,440	$10,610	$10,830	$11,010	$11,140	$102,740
	Housing:												
59	Exclusion of interest on owner-occupied mortgage subsidy bonds	$880	$710	$730	$790	$860	$860	$890	$950	$940	$910	$640	$8,280
60	Exclusion of interest on rental housing bonds	$1,610	$1,300	$1,350	$1,460	$1,580	$1,590	$1,630	$1,750	$1,730	$1,670	$1,160	$15,220
61	Deductibility of mortgage interest on owner-occupied homes	$31,820	$30,770	$30,920	$67,280	$87,740	$91,630	$95,620	$99,780	$104,210	$108,570	$111,950	$828,470
62	Deductibility of State and local property tax on owner-occupied homes 5/	$6,910	$6,410	$6,090	$34,180	$50,080	$52,530	$54,640	$56,890	$59,490	$62,120	$64,830	$447,260
63	Deferral of income from installment sales	$1,750	$1,720	$1,780	$1,860	$1,940	$2,020	$2,100	$2,190	$2,290	$2,380	$2,490	$20,770
64	Capital gains exclusion on home sales	$54,410	$58,230	$60,400	$66,830	$71,490	$74,300	$77,040	$79,900	$83,100	$86,410	$89,690	$747,390
65	Exclusion of net imputed rental income	$147,240	$151,950	$156,250	$174,960	$183,050	$191,070	$199,350	$208,160	$217,490	$226,790	$236,720	$1,945,790
66	Exception from passive loss rules for $25,000 of rental loss	$5,470	$5,460	$5,600	$5,840	$5,600	$5,270	$4,830	$4,340	$4,030	$4,010	$4,140	$49,120
67	Credit for low-income housing investments	$12,800	$13,630	$14,400	$15,130	$15,790	$16,270	$16,700	$17,100	$17,400	$17,670	$17,920	$174,810
68	Accelerated depreciation on rental housing (normal tax method)	$2,440	$2,150	$2,530	$3,240	$3,960	$4,620	$5,300	$5,960	$6,590	$7,200	$7,800	$49,350
69	Discharge of mortgage indebtedness	$220	$140	$140	$50	$0	$0	$0	$0	$0	$0	$0	$330
	Commerce:												
70	Discharge of business indebtedness	-$10	$10	$40	$60	$70	$60	$50	$40	$20	$20	$30	$400
71	Exceptions from imputed interest rules	$60	$70	$70	$80	$80	$80	$80	$80	$80	$90	$90	$800
72	Treatment of qualified dividends	$35,880	$38,390	$39,990	$44,470	$49,190	$51,470	$53,730	$56,150	$58,710	$61,380	$64,170	$517,650
73	Capital gains (except agriculture, timber, iron ore, and coal)	$115,630	$114,130	$118,590	$132,180	$146,890	$154,710	$162,580	$170,590	$179,150	$188,540	$198,600	$1,565,960
74	Capital gains exclusion of small corporation stock	$1,780	$1,850	$1,930	$2,000	$2,070	$2,150	$2,240	$2,330	$2,430	$2,530	$2,640	$22,170
75	Step-up basis of capital gains at death	$49,240	$33,560	$35,940	$38,960	$44,060	$48,230	$52,300	$56,600	$61,240	$66,620	$72,070	$509,580
76	Carryover basis of capital gains on gifts	$4,590	$4,130	$4,470	$5,720	$6,890	$6,860	$6,790	$6,890	$7,170	$7,800	$8,830	$65,550
77	Ordinary income treatment of loss from small business corporation stock sale	$70	$80	$80	$80	$80	$80	$90	$90	$90	$90	$100	$860
78	Deferral of capital gains from like-kind exchanges	$4,020	$4,230	$5,430	$5,569	$4,870	$5,130	$5,380	$5,640	$5,940	$6,240	$6,440	$54,869
79	Depreciation of buildings other than rental housing (normal tax method)	$920	-$190	-$390	-$400	-$360	-$130	$220	$740	$970	$1,300	$1,610	$3,370
80	Accelerated depreciation of machinery and equipment (normal tax method)	$10,430	-$3,730	-$11,580	-$18,420	-$25,860	-$17,160	-$4,110	$3,770	$8,800	$12,180	$14,790	-$41,320
81	Exclusion of interest on small issue bonds	$60	$60	$60	$70	$70	$70	$70	$70	$70	$70	$50	$660
82	Special rules for certain film and TV production	$100	$180	$240	-$380	-$520	-$250	-$120	-$50	-$20	$0	$0	-$920
83	Allow 20-percent deduction to certain pass-through income	$37,240	$61,850	$65,180	$27,000	$0	$0	$0	$0	$0	$0	$0	$154,030
84	Advanced manufacturing investment credit 1/	$190	$3,630	$3,830	$4,080	$2,820	$2,860	$2,610	$2,590	$1,950	$1,350	$1,010	$26,730
	Transportation:												
85	Tonnage tax	$100	$100	$100	$100	$100	$110	$110	$110	$110	$110	$120	$1,070
86	Deferral of tax on shipping companies	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
87	Exclusion of reimbursed employee parking expenses	$1,827	$1,890	$1,957	$2,025	$2,116	$2,211	$2,311	$2,415	$2,523	$2,637	$2,756	$22,841
88	Exclusion for employer-provided transit passes	$369	$381	$394	$408	$431	$455	$479	$506	$534	$563	$594	$4,745
89	Tax credit for certain expenditures for maintaining railroad tracks	$130	$80	$60	$40	$30	$30	$20	$10	$10	$0	$0	$280
90	Exclusion of interest on bonds for Highway Projects and rail-truck transfer facilities	$140	$140	$130	$130	$120	$110	$110	$100	$100	$80	$80	$1,100
	Community and regional development:												
91	Exclusion of interest for airport, dock, and similar bonds	$1,050	$840	$870	$950	$1,020	$1,030	$1,060	$1,130	$1,120	$1,080	$750	$9,850
92	Exemption of certain mutuals' and cooperatives' income	$100	$100	$110	$110	$110	$110	$120	$120	$120	$120	$130	$1,150
93	Empowerment zones	$90	$90	$100	$80	$60	$40	$20	$20	$20	$20	$10	$460
94	New markets tax credit	$1,210	$1,250	$1,310	$1,360	$1,340	$1,230	$1,060	$870	$640	$410	$160	$9,630
95	Credit to holders of Gulf and Midwest Tax Credit Bonds .	$100	$80	$80	$80	$80	$70	$60	$60	$50	$30	$20	$610
96	Recovery Zone Bonds 1/	$90	$70	$70	$70	$70	$60	$60	$50	$40	$30	$10	$530
97	Tribal Economic Development Bonds	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
98	Opportunity Zones	$2,080	$2,160	$1,990	-$6,400	-$12,400	$670	$880	$1,130	$1,320	$1,550	$1,650	-$7,450
99	Disaster employee retention credit	$50	$40	$40	$20	$20	$20	$10	$10	$10	$10	$10	$190
	Education, training, employment, and social services:												
	Education:												
100	Exclusion of scholarship and fellowship income (normal tax method)	$4,430	$4,670	$4,920	$5,440	$6,200	$6,530	$6,850	$7,220	$7,610	$8,010	$8,430	$65,880
101	Tax credits for post-secondary education expenses 1/	$13,940	$13,860	$13,660	$13,390	$13,270	$13,030	$12,790	$12,490	$12,220	$11,910	$11,600	$128,220
102	Deductibility of student-loan interest	$560	$940	$2,490	$2,690	$3,110	$3,160	$3,290	$3,320	$3,400	$3,420	$3,450	$29,270
103	Qualified tuition programs (includes Education IRA)	$3,020	$3,350	$3,800	$4,630	$5,570	$6,660	$8,120	$10,090	$12,740	$16,260	$20,940	$92,160
104	Exclusion of interest on student-loan bonds	$150	$130	$120	$140	$150	$150	$160	$170	$170	$160	$110	$1,460
105	Exclusion of interest on bonds for private nonprofit educational facilities	$2,280	$1,850	$1,900	$2,070	$2,230	$2,250	$2,310	$2,480	$2,440	$2,370	$1,650	$21,550
106	Credit for holders of zone academy bonds 1/	$90	$80	$60	$50	$50	$40	$40	$40	$30	$30	$30	$450
107	Exclusion of interest on savings bonds redeemed to finance educational expenses	$40	$40	$40	$50	$50	$50	$50	$50	$50	$60	$60	$500
108	Parental personal exemption for students age 19 or over	$2,210	$3,280	$3,200	$6,110	$7,550	$7,480	$7,470	$7,410	$7,300	$7,220	$7,170	$64,190
109	Deductibility of charitable contributions to educational institutions	$6,230	$6,290	$6,300	$7,360	$10,350	$11,050	$11,850	$12,170	$12,580	$13,060	$13,560	$104,570
110	Exclusion of employer-provided educational assistance	$1,660	$1,770	$1,880	$1,660	$1,570	$1,650	$1,730	$1,820	$1,920	$2,010	$2,100	$18,110
111	Special deduction for teacher expenses	$160	$160	$160	$170	$190	$190	$210	$230	$190	$200	$200	$1,900
112	Discharge of student loan indebtedness	$100	$110	$130	$150	$170	$200	$240	$280	$320	$380	$440	$2,420
113	Qualified school construction bonds 1/	$490	$470	$440	$410	$390	$360	$330	$320	$290	$260	$240	$3,510
	Training, employment, and social services:												
114	Work opportunity tax credit	$2,070	$2,130	$2,200	$1,400	$520	$340	$260	$190	$150	$110	$80	$7,380
115	Employer provided child care exclusion	$760	$840	$910	$1,180	$1,330	$1,380	$1,440	$1,500	$1,560	$1,620	$1,670	$13,430
116	Employer-provided child care credit	$20	$20	$20	$20	$20	$20	$30	$40	$40	$40	$40	$290
117	Assistance for adopted foster children	$880	$940	$1,000	$1,040	$1,100	$1,170	$1,270	$1,340	$1,330	$1,530	$1,620	$12,340
118	Adoption credit and exclusion	$870	$900	$920	$930	$940	$950	$960	$970	$980	$990	$990	$9,530
119	Exclusion of employee meals and lodging (other than military)	$7,530	$8,960	$6,900	$8,140	$8,890	$9,190	$9,520	$9,850	$9,190	$10,510	$10,870	$90,020
120	Credit for child and dependent care expenses 1/	$3,480	$3,690	$3,850	$3,920	$3,950	$3,980	$4,010	$4,040	$4,070	$4,100	$4,120	$39,730
121	Credit for disabled access expenditures	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
122	Deductibility of charitable contributions, other than education and health	$47,410	$47,940	$48,030	$56,740	$81,110	$86,690	$92,850	$98,230	$104,630	$111,540	$118,910	$846,670
123	Exclusion of certain foster care payments	$500	$530	$560	$590	$640	$700	$780	$870	$970	$1,100	$1,270	$8,010
124	Exclusion of parsonage allowances	$959	$1,009	$1,058	$1,118	$1,177	$1,246	$1,305	$1,375	$1,444	$1,523	$1,602	$12,857
125	Indian employment credit	$30	$30	$20	$20	$20	$20	$0	$0	$0	$0	$0	$110
126	Employer-provided paid family and medical leave credit	$70	$90	$90	$50	$10	$0	$0	$0	$0	$0	$0	$240
	Health:												
127	Exclusion of employer contributions for medical insurance premiums and medical care 6/	$215,860	$231,010	$246,510	$289,890	$321,980	$340,080	$359,210	$379,310	$400,400	$422,430	$445,530	$3,436,350
128	Self-employed medical insurance premiums	$8,150	$8,520	$9,030	$11,210	$12,990	$14,060	$15,040	$16,290	$17,610	$18,790	$19,770	$143,310
129	Medical Savings Accounts / Health Savings Accounts	$12,830	$13,610	$14,180	$16,270	$17,690	$18,260	$18,820	$19,500	$20,190	$20,820	$21,540	$180,880
130	Deductibility of medical expenses	$12,260	$12,900	$13,550	$18,620	$22,370	$24,140	$25,910	$27,850	$30,040	$32,460	$35,100	$242,940
131	Exclusion of interest on hospital construction bonds	$3,120	$2,530	$2,600	$2,830	$3,050	$3,080	$3,160	$3,390	$3,350	$3,240	$2,260	$29,490
132	Refundable Premium Assistance Tax Credit 1/	$15,047	$14,935	$15,413	$12,440	$10,816	$10,684	$10,507	$10,913	$11,914	$12,707	$13,277	$123,606
133	Credit for employee health insurance expenses of small business	$10	$10	$0	$0	$0	$0	$0	$0	$0	$0	$0	$10
134	Deductibility of charitable contributions to health institutions	$9,000	$9,060	$9,050	$10,110	$13,340	$14,250	$15,220	$16,090	$17,080	$18,180	$19,350	$141,730
135	Tax credit for orphan drug research	$1,740	$1,940	$2,160	$2,420	$2,700	$3,020	$3,370	$3,770	$4,210	$4,700	$5,250	$33,540
136	Special Blue Cross/Blue Shield tax benefits	$370	$380	$400	$420	$450	$470	$500	$530	$570	$610	$650	$4,980
137	Distributions from retirement plans for premiums for health and long-term care insurance	$470	$490	$500	$590	$630	$650	$660	$670	$670	$680	$690	$6,230
138	Credit for family and sick leave taken by self-employed individuals 1/	$520	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Income security:												
139	Child credit 1/	$67,520	$63,740	$65,370	$45,890	$15,780	$15,390	$14,990	$14,540	$14,050	$13,560	$13,110	$276,420
140	Other Dependent Tax Credit												
141	Exclusion of railroad retirement (Social Security equivalent) benefits	$300	$280	$260	$270	$270	$250	$220	$200	$160	$130	$90	$2,130
142	Exclusion of workers' compensation benefits	$8,870	$8,870	$8,870	$8,860	$8,860	$8,850	$8,850	$8,850	$8,840	$8,840	$8,840	$88,530
143	Exclusion of public assistance benefits (normal tax method)	$760	$720	$720	$770	$800	$830	$850	$840	$890	$920	$970	$8,310
144	Exclusion of special benefits for disabled coal miners	$20	$20	$20	$20	$10	$10	$10	$10	$10	$10	$10	$130
145	Exclusion of military disability pensions	$200	$210	$210	$240	$260	$260	$270	$280	$280	$290	$300	$2,600
	Net exclusion of pension contributions and earnings:												
146	Defined benefit employer plans	$70,100	$68,860	$68,880	$77,890	$77,310	$76,940	$76,680	$77,780	$77,950	$77,510	$76,910	$756,710
147	Defined contribution employer plans	$133,860	$136,290	$141,780	$170,240	$177,930	$186,430	$195,500	$205,940	$218,260	$229,800	$242,050	$1,904,220
148	Individual Retirement Accounts	$32,690	$33,210	$34,470	$41,470	$43,930	$46,180	$48,460	$51,170	$54,430	$58,190	$62,140	$473,650
149	Low and moderate income savers credit	$1,860	$1,990	$1,970	$2,140	$2,100	$4,170	$4,160	$4,090	$4,120	$4,060	$4,020	$32,820
150	Self-Employed plans	$43,180	$43,960	$45,730	$54,910	$57,390	$60,130	$63,060	$66,430	$70,400	$74,120	$78,080	$614,210
151	Small employer pension plan startup credit	$0	$0	$320	$380	$360	$310	$280	$230	$180	$130	$130	$2,320
	Exclusion of other employee benefits:												
152	Premiums on group term life insurance	$3,440	$3,500	$3,610	$4,100	$4,360	$4,500	$4,650	$4,810	$4,970	$5,130	$5,300	$44,930
153	Premiums on accident and disability insurance	$1,720	$1,730	$1,760	$1,970	$2,060	$2,100	$2,140	$2,190	$2,230	$2,280	$2,320	$20,780
154	Income of trusts to finance supplementary unemployment benefits	$40	$50	$50	$50	$50	$50	$50	$60	$60	$60	$60	$540
155	Income of trusts to finance voluntary employee benefits associations	$1,500	$1,560	$1,630	$1,700	$1,770	$1,850	$1,930	$2,010	$2,100	$2,200	$2,290	$19,040
156	Special Employee Stock Ownership Plan (ESOP) rules	$220	$220	$230	$230	$240	$240	$260	$270	$270	$280	$290	$2,530
157	Additional deduction for the blind	$50	$50	$60	$50	$50	$50	$60	$60	$60	$60	$70	$570
158	Additional deduction for the elderly	$7,540	$8,070	$8,650	$7,460	$7,810	$8,280	$8,780	$9,290	$9,500	$9,980	$10,480	$88,300
159	Deductibility of casualty losses	$0	$0	$0	$680	$1,040	$1,090	$1,140	$1,190	$1,260	$1,310	$1,360	$9,070
160	Earned income tax credit 1/	$2,700	$3,030	$3,180	$3,290	$5,020	$5,220	$5,410	$5,550	$5,760	$5,990	$6,170	$48,620
161	Recovery rebate credits 1/	$3,460	$990	$220	$0	$0	$0	$0	$0	$0	$0	$0	$1,210
	Social Security:												
	Exclusion of social security benefits:												
162	Social Security benefits for retired and disabled workers and spouses, dependents and survivors	$30,700	$30,810	$30,440	$34,430	$39,930	$41,350	$42,850	$44,380	$46,220	$48,170	$50,150	$408,730
163	Credit for certain employer contributions to social security	$1,520	$1,610	$1,700	$1,790	$1,880	$1,970	$2,060	$2,150	$2,240	$2,330	$2,420	$20,150
	Veterans benefits and services:												
164	Exclusion of veterans death benefits and disability compensation	$11,640	$13,120	$14,040	$15,200	$17,380	$18,120	$18,840	$19,600	$20,430	$21,290	$22,160	$180,180
165	Exclusion of veterans pensions	$220	$210	$200	$210	$220	$220	$210	$210	$210	$200	$200	$2,090
166	Exclusion of GI bill benefits	$1,460	$1,510	$1,560	$1,650	$1,850	$1,890	$1,930	$1,970	$2,010	$2,050	$2,090	$18,510
167	Exclusion of interest on veterans housing bonds	$80	$60	$70	$80	$80	$80	$80	$90	$80	$80	$50	$750
	General purpose fiscal assistance:												
168	Exclusion of interest on public purpose State and local bonds	$29,810	$24,120	$24,880	$27,000	$29,140	$29,450	$30,180	$32,320	$32,000	$30,900	$21,590	$281,580
169	Build America Bonds 1/	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
170	Deductibility of nonbusiness State and local taxes other than on owner-occupied homes 5/	$7,030	$6,580	$6,090	$65,920	$91,280	$92,130	$96,490	$101,330	$106,750	$112,220	$117,920	$796,710
	Interest:												
171	Deferral of interest on U.S. savings bonds	$820	$810	$800	$800	$790	$780	$770	$760	$750	$750	$740	$7,750
	Addendum: Aid to State and local governments:												
	Deductibility of:												
	Property taxes on owner-occupied homes	$6,910	$6,410	$6,090	$34,180	$50,080	$52,530	$54,640	$56,890	$59,490	$62,120	$64,830	$447,260
	Nonbusiness State and local taxes other than on owner-occupied homes	$7,030	$6,580	$6,090	$65,920	$91,280	$92,130	$96,490	$101,330	$106,750	$112,220	$117,920	$796,710
	Exclusion of interest on State and local bonds for:												
	Public purposes	$29,810	$24,120	$24,880	$27,000	$29,140	$29,450	$30,180	$32,320	$32,000	$30,900	$21,590	$281,580
	Energy facilities	$0	$0	$0	$0	$10	$10	$10	$10	$10	$10	$0	$60
	Water, sewage, and hazardous waste disposal facilities	$290	$230	$240	$260	$290	$290	$290	$320	$310	$310	$220	$2,760
	Small-issues	$60	$60	$60	$70	$70	$70	$70	$70	$70	$70	$50	$660
	Owner-occupied mortgage subsidies	$880	$710	$730	$790	$860	$860	$890	$950	$940	$910	$640	$8,280
	Rental housing	$1,610	$1,300	$1,350	$1,460	$1,580	$1,590	$1,630	$1,750	$1,730	$1,670	$1,160	$15,220
	Airports, docks, and similar facilities	$1,050	$840	$870	$950	$1,020	$1,030	$1,060	$1,130	$1,120	$1,080	$750	$9,850
	Student loans	$150	$130	$120	$140	$150	$150	$160	$170	$170	$160	$110	$1,460
	Private nonprofit educational facilities	$2,280	$1,850	$1,900	$2,070	$2,230	$2,250	$2,310	$2,480	$2,440	$2,370	$1,650	$21,550
	Hospital construction	$3

5/9/2024

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES FOR FISCAL YEARS 2022-2032

(in millions of dollars)

		Total from corporations and individuals											
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2022-2032
	National Defense												
1	Exclusion of benefits and allowances to armed forces personnel	$14,830	$15,380	$15,970	$16,600	$15,370	$15,560	$16,130	$16,840	$17,620	$18,450	$19,350	$167,270
	International affairs:												
2	Exclusion of income earned abroad by U.S. citizens	$6,700	$7,160	$7,560	$7,950	$8,360	$8,790	$9,250	$9,740	$10,250	$10,780	$11,340	$91,180
3	Exclusion of certain allowances for Federal employees abroad	$260	$280	$290	$310	$320	$340	$360	$380	$400	$420	$450	$3,550
4	Reduced tax rate on active income of controlled foreign corporations (normal tax method)	$30,540	$32,840	$35,110	$37,200	$33,200	$30,910	$31,870	$32,520	$33,270	$34,080	$34,910	$335,910
5	Deduction for foreign-derived intangible income derived from trade or business within the United States	$11,900	$12,790	$13,680	$14,490	$9,130	$9,590	$9,890	$10,090	$10,330	$10,580	$10,840	$111,410
6	Interest Charge Domestic International Sales Corporations (IC-DISCs)	$1,140	$1,780	$1,880	$1,980	$2,190	$2,410	$2,570	$2,690	$2,820	$2,950	$3,110	$24,380
	General science, space, and technology:												
7	Expensing of research and experimentation expenditures (normal tax method)	-$19,820	-$35,610	-$25,800	-$15,690	-$4,950	$0	$0	$0	$0	$0	$0	-$82,050
8	Credit for increasing research activities	$23,260	$24,980	$26,530	$28,060	$29,590	$31,140	$32,730	$34,380	$36,110	$37,920	$39,790	$321,230
	Energy:												
9	Expensing of exploration and development costs, oil and gas	$720	$470	$300	$180	$160	$240	$330	$350	$340	$330	$300	$3,000
10	Expensing of exploration and development costs, coal	$60	$40	$30	$10	$10	$20	$30	$30	$30	$30	$30	$260
11	Excess of percentage over cost depletion, oil and gas	$910	$1,040	$1,100	$1,130	$1,180	$1,260	$1,340	$1,410	$1,470	$1,530	$1,590	$13,050
12	Excess of percentage over cost depletion, coal	$50	$60	$80	$80	$80	$80	$80	$80	$80	$90	$90	$800
13	Exception from passive loss limitation for working interests in oil and gas properties	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
14	Capital gains treatment of royalties on coal	$50	$50	$50	$50	$60	$60	$60	$70	$70	$70	$70	$610
15	Exclusion of interest on energy facility bonds	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
16	Enhanced oil recovery credit	$390	$240	$200	$140	$40	$0	$0	$0	$0	$0	$0	$620
17	Energy production credit	$4,160	$4,540	$4,830	$4,970	$4,630	$4,330	$3,930	$3,510	$2,860	$2,260	$1,560	$37,420
18	Marginal wells credit	$280	$190	$80	$20	$0	$0	$0	$0	$0	$0	$0	$290
19	Energy investment credit	$7,340	$9,490	$11,160	$8,320	$6,260	$5,170	$3,710	$3,430	$3,150	$3,890	$3,760	$58,340
20	Alcohol fuel credits 1/	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
21	Bio-Diesel and small agri-biodiesel producer tax credits 2/	$30	$20	$0	$0	$0	$0	$0	$0	$0	$0	$0	$20
22	Tax credits for clean-fuel burning vehicles and refueling property	$1,082	$1,076	$1,005	$956	$917	$829	$769	$754	$749	$690	$591	$8,337
23	Exclusion of utility conservation subsidies	$50	$50	$50	$40	$40	$40	$30	$30	$30	$30	$20	$360
24	Credit for holding clean renewable energy bonds 3/	$70	$70	$70	$70	$70	$70	$70	$70	$70	$70	$70	$700
25	Credit for investment in clean coal facilities	$0	$10	$20	$40	$40	$40	$30	$30	$20	$20	$40	$290
26	Amortize all geological and geophysical expenditures over 2 years	$120	$140	$150	$150	$150	$150	$150	$140	$140	$120	$120	$1,410
27	Allowance of deduction for certain energy efficient commercial building property	$160	$140	$140	$150	$160	$170	$170	$170	$170	$170	$170	$1,610
28	Credit for construction of new energy efficient homes	$120	$100	$100	$100	$100	$60	$20	$10	$0	$0	$0	$490
29	Credit for energy efficiency improvements to existing homes	$450	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
30	Credit for residential energy efficient property	$2,700	$2,380	$680	$220	$0	$0	$0	$0	$0	$0	$0	$3,280
31	Qualified energy conservation bonds 4/	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30	$300
32	Advanced energy property credit	$10	$10	$10	$10	$10	$10	$10	$10	$0	$0	$0	$70
33	Advanced nuclear power production credit	$0	$60	$180	$220	$240	$270	$280	$280	$280	$230	$100	$2,140
34	Reduced tax rate for nuclear decommissioning funds	$110	$120	$120	$130	$130	$140	$150	$150	$160	$170	$170	$1,440
	Natural resources and environment:												
35	Expensing of exploration and development costs, nonfuel minerals	$70	$40	$30	$10	$10	$20	$30	$40	$40	$30	$30	$280
36	Excess of percentage over cost depletion, nonfuel minerals	$190	$220	$230	$230	$250	$260	$280	$280	$300	$310	$330	$2,690
37	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	$370	$380	$360	$350	$340	$340	$390	$370	$380	$410	$430	$3,750
38	Capital gains treatment of certain timber income	$150	$160	$160	$170	$180	$200	$210	$220	$230	$240	$250	$2,020
39	Expensing of multiperiod timber growing costs	$230	$240	$260	$260	$270	$290	$300	$320	$330	$350	$350	$2,970
40	Tax incentives for preservation of historic structures	$580	$660	$790	$890	$950	$970	$970	$970	$980	$990	$980	$9,150
41	Carbon oxide sequestration credit	$360	$310	$370	$570	$740	$1,890	$2,470	$2,740	$5,760	$7,660	$7,790	$30,300
42	Deduction for endangered species recovery expenditures	$30	$30	$40	$40	$40	$60	$60	$60	$70	$70	$80	$550
	Agriculture:												
43	Expensing of certain capital outlays	$120	$120	$120	$130	$150	$160	$170	$180	$190	$190	$200	$1,610
44	Expensing of certain multiperiod production costs	$260	$260	$260	$270	$330	$370	$390	$400	$420	$430	$450	$3,580
45	Treatment of loans forgiven for solvent farmers	$60	$60	$60	$60	$70	$70	$70	$70	$70	$70	$70	$670
46	Capital gains treatment of certain agriculture income	$1,500	$1,580	$1,600	$1,670	$1,830	$1,980	$2,060	$2,160	$2,260	$2,360	$2,470	$19,970
47	Income averaging for farmers	$200	$210	$210	$220	$230	$230	$230	$230	$230	$230	$230	$2,250
48	Deferral of gain on sale of farm refiners	$15	$15	$20	$20	$20	$20	$20	$20	$25	$25	$25	$210
49	Expensing of reforestation expenditures	$60	$60	$70	$70	$80	$80	$80	$80	$80	$80	$90	$770
	Commerce and housing:												
	Financial institutions and insurance:												
50	Exemption of credit union income	$3,070	$2,910	$2,960	$3,110	$3,310	$3,480	$3,590	$3,700	$3,850	$3,880	$3,930	$34,720
51	Exclusion of life insurance death benefits	$16,020	$17,560	$18,760	$19,270	$20,000	$21,090	$21,430	$21,900	$22,480	$23,040	$23,560	$209,090
52	Exemption or special alternative tax for small property and casualty insurance companies	$1,220	$1,310	$1,340	$1,370	$1,430	$1,460	$1,490	$1,550	$1,590	$1,650	$1,700	$14,890
53	Tax exemption of insurance income earned by tax-exempt organizations	$350	$370	$380	$390	$390	$400	$410	$420	$430	$430	$440	$4,060
54	Exclusion of interest spread of financial institutions	$7,330	$8,670	$7,790	$7,620	$7,990	$8,200	$8,170	$8,310	$8,440	$8,540	$8,660	$82,390
	Housing:												
55	Exclusion of interest on owner-occupied mortgage subsidy bonds	$1,130	$1,140	$1,070	$1,060	$1,030	$1,030	$1,150	$1,090	$1,150	$1,220	$1,280	$11,220
56	Exclusion of interest on rental housing bonds	$2,090	$2,090	$1,980	$1,950	$1,900	$1,900	$2,100	$2,010	$2,120	$2,230	$2,360	$20,640
57	Deductibility of mortgage interest on owner-occupied homes	$34,430	$35,660	$36,820	$38,730	$107,230	$113,890	$120,340	$127,360	$134,670	$142,440	$149,370	$1,006,510
58	Deductibility of State and local property tax on owner-occupied homes 17/	$5,110	$7,420	$7,290	$7,440	$41,360	$60,900	$64,490	$67,960	$71,660	$75,640	$79,860	$484,020
59	Deferral of income from installment sales	$1,720	$1,700	$1,720	$1,780	$1,850	$1,920	$2,000	$2,090	$2,180	$2,270	$2,370	$19,880
60	Capital gains exclusion on home sales	$49,200	$50,540	$52,260	$54,120	$61,890	$64,490	$67,140	$69,540	$72,520	$75,730	$78,840	$647,070
61	Exclusion of net imputed rental income	$128,950	$133,660	$134,950	$135,950	$163,430	$169,360	$175,230	$181,470	$188,130	$195,360	$202,010	$1,679,550
62	Exception from passive loss rules for $25,000 of rental loss	$4,970	$5,120	$5,260	$5,590	$6,130	$6,280	$6,410	$6,580	$6,740	$6,890	$7,040	$62,040
63	Credit for low-income housing investments	$11,280	$10,550	$10,390	$10,360	$10,440	$10,750	$11,060	$11,390	$11,720	$12,040	$12,390	$111,090
64	Accelerated depreciation on rental housing (normal tax method)	$3,490	$2,560	$2,560	$3,260	$4,170	$5,080	$5,920	$6,790	$7,420	$8,050	$8,640	$54,450
65	Discharge of mortgage indebtedness	$380	$320	$330	$340	$0	$0	$0	$0	$0	$0	$0	$990
66	Premiums for mortgage insurance deductible as interest	$150	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Commerce:												
67	Discharge of business indebtedness	$40	$70	$50	$40	$40	$30	$40	$40	$40	$40	$60	$450
68	Exceptions from imputed interest rules	$30	$50	$60	$60	$70	$70	$80	$80	$80	$80	$80	$710
69	Treatment of qualified dividends	$33,290	$34,830	$36,440	$38,140	$41,880	$45,600	$47,430	$49,500	$51,660	$53,890	$56,230	$455,600
70	Capital gains (except agriculture, timber, iron ore, and coal)	$112,050	$118,340	$119,820	$124,780	$136,680	$148,170	$154,180	$161,180	$168,490	$176,240	$184,520	$1,492,400
71	Capital gains exclusion of small corporation stock	$1,680	$1,770	$1,850	$1,930	$2,000	$2,070	$2,150	$2,240	$2,330	$2,430	$2,530	$21,300
72	Step-up basis of capital gains at death	$46,750	$49,240	$51,860	$53,570	$56,430	$61,630	$65,950	$70,340	$75,400	$80,860	$86,810	$652,090
73	Carryover basis of capital gains on gifts	$2,700	$2,960	$3,310	$3,830	$4,020	$4,490	$4,890	$4,700	$4,630	$4,620	$4,920	$42,370
74	Ordinary income treatment of loss from small business corporation stock sale	$70	$70	$80	$80	$80	$90	$90	$90	$100	$100	$110	$890
75	Deferral of gains from like-kind exchanges	$3,830	$4,020	$4,230	$5,430	$5,569	$4,870	$5,130	$5,380	$5,640	$5,940	$6,240	$52,449
76	Depreciation of buildings other than rental housing (normal tax method)	$2,720	$490	-$470	-$470	-$480	-$650	-$460	-$10	$310	$700	$1,070	$30
77	Accelerated depreciation of machinery and equipment (normal tax method)	$22,780	$6,100	-$8,220	-$18,560	-$28,460	-$39,050	-$30,300	-$15,830	-$7,290	-$1,990	$1,470	-$142,130
78	Expensing of certain small investments (normal tax method)	-$910	$4,300	$8,240	$10,330	$13,100	$16,420	$15,150	$12,530	$11,080	$10,380	$10,130	$111,660
79	Exclusion of interest on small issue bonds	$320	$300	$280	$280	$200	$140	$250	$190	$230	$310	$300	$2,480
80	Special rules for certain film and TV production	$0	$100	$180	$240	-$390	-$530	-$260	-$120	-$50	-$20	$0	-$850
81	Allow 20-percent deduction to certain pass-through income	$51,070	$50,230	$50,770	$53,010	$21,720	$0	$0	$0	$0	$0	$0	$175,730
	Transportation:												
82	Tonnage tax	$90	$100	$100	$100	$100	$100	$110	$110	$110	$110	$120	$1,060
83	Deferral of tax on shipping companies	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
84	Exclusion of reimbursed employee parking expenses	$1,707	$2,066	$2,124	$2,193	$2,304	$2,413	$2,521	$2,641	$2,822	$3,011	$3,212	$25,307
85	Exclusion for employer-provided transit passes	$341	$407	$428	$450	$490	$522	$563	$603	$686	$774	$870	$5,793
86	Tax credit for certain expenditures for maintaining railroad tracks	$170	$130	$80	$60	$40	$30	$30	$20	$10	$10	$0	$410
87	Exclusion of interest on bonds for Highway Projects and rail-truck transfer facilities	$160	$140	$140	$130	$130	$120	$110	$110	$100	$100	$140	$1,220
	Community and regional development:												
88	Exclusion of interest for airport, dock, and similar bonds	$1,350	$1,350	$1,280	$1,260	$1,220	$1,230	$1,360	$1,300	$1,370	$1,440	$1,530	$13,340
89	Exemption of certain mutuals' and cooperatives' income	$100	$100	$100	$110	$110	$110	$110	$110	$120	$120	$120	$1,110
90	Empowerment zones	$90	$90	$90	$110	$90	$60	$40	$20	$20	$20	$20	$560
91	New markets tax credit	$1,170	$1,210	$1,250	$1,310	$1,360	$1,340	$1,230	$1,060	$870	$640	$410	$10,680
92	Credit to holders of Gulf Tax Credit Bonds.	$150	$140	$120	$110	$90	$90	$80	$80	$70	$60	$50	$890
93	Recovery Zone Bonds 5/	$130	$130	$110	$100	$90	$80	$80	$70	$60	$50	$50	$820
94	Tribal Economic Development Bonds	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$20	$110
95	Opportunity Zones	$3,740	$2,080	$2,160	$1,990	-$6,400	-$12,400	$670	$880	$1,130	$1,320	$1,550	-$7,020
96	Disaster Employee Retention Credit	$110	$140	$60	$60	$50	$40	$40	$30	$30	$20	$10	$480
	Education, training, employment, and social services:												
	Education:												
97	Exclusion of scholarship and fellowship income (normal tax method)	$4,110	$4,230	$4,460	$4,720	$5,270	$6,090	$6,430	$6,780	$7,160	$7,540	$7,960	$60,640
98	Tax credits and deductions for postsecondary education expenses 6/	$15,460	$14,820	$14,580	$14,380	$14,270	$14,250	$13,970	$13,680	$13,380	$13,030	$12,660	$139,020
99	Deductibility of student-loan interest	$2,340	$2,230	$2,350	$2,470	$2,640	$3,010	$3,040	$3,140	$3,160	$3,170	$3,260	$28,470
100	Qualified tuition programs (includes Education IRA)	$2,790	$2,960	$3,280	$3,730	$4,550	$5,470	$6,550	$7,980	$9,860	$12,370	$15,700	$72,450
101	Exclusion of interest on student-loan bonds	$190	$200	$190	$190	$180	$180	$200	$190	$200	$210	$220	$1,960
102	Exclusion of interest on bonds for private nonprofit educational facilities	$2,960	$2,960	$2,790	$2,750	$2,680	$2,680	$2,970	$2,840	$3,000	$3,170	$3,330	$29,170
103	Credit for holders of zone academy bonds 7/	$110	$90	$80	$60	$50	$50	$40	$40	$40	$30	$30	$510
104	Exclusion of interest on savings bonds redeemed to finance educational expenses	$40	$40	$40	$40	$50	$50	$50	$50	$50	$50	$60	$480
105	Parental personal exemption for students age 19 or over	$1,910	$2,930	$2,890	$2,770	$4,650	$5,580	$5,490	$5,420	$5,320	$5,160	$5,050	$45,260
106	Deductibility of charitable contributions (education)	$7,270	$7,730	$8,170	$8,600	$10,260	$13,220	$13,820	$14,480	$14,720	$14,970	$15,230	$121,200
107	Exclusion of employer-provided educational assistance	$1,510	$1,630	$1,730	$1,840	$1,630	$1,530	$1,610	$1,680	$1,760	$1,850	$1,930	$17,190
108	Special deduction for teacher expenses	$180	$180	$180	$180	$190	$210	$210	$210	$210	$220	$220	$2,010
109	Discharge of student loan indebtedness	$80	$90	$110	$120	$140	$170	$190	$210	$230	$260	$290	$1,810
110	Qualified school construction bonds 8/	$520	$490	$470	$440	$410	$390	$360	$330	$320	$290	$260	$3,760
	Training, employment, and social services:												
111	Work opportunity tax credit	$1,730	$1,790	$1,840	$1,900	$1,270	$520	$350	$270	$210	$150	$120	$8,420
112	Employer provided child care exclusion	$550	$740	$810	$860	$1,110	$1,250	$1,300	$1,360	$1,430	$1,510	$1,580	$11,950
113	Employer-provided child care credit	$20	$20	$20	$20	$20	$20	$20	$30	$40	$40	$40	$270
114	Assistance for adopted foster children	$670	$810	$940	$1,020	$1,100	$1,210	$1,330	$1,460	$1,600	$1,770	$1,960	$13,200
115	Adoption credit and exclusion	$870	$900	$920	$930	$940	$950	$960	$970	$980	$990	$990	$9,530
116	Exclusion of employee meals and lodging (other than military)	$6,440	$6,800	$6,680	$6,840	$8,080	$8,820	$9,070	$9,360	$9,650	$9,960	$10,290	$85,550
117	Credit for child and dependent care expenses 9/	$5,850	$3,570	$3,720	$3,820	$3,920	$3,980	$4,040	$4,090	$4,140	$4,200	$4,280	$39,760
118	Credit for disabled access expenditures	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
119	Deductibility of charitable contributions, other than education and health	$55,500	$58,860	$62,250	$65,550	$79,070	$103,560	$108,430	$113,540	$118,890	$124,490	$130,170	$964,810
120	Exclusion of certain foster care payments	$480	$570	$660	$710	$790	$860	$940	$1,030	$1,130	$1,250	$1,390	$9,330
121	Exclusion of parsonage allowances	$970	$1,020	$1,070	$1,130	$1,190	$1,260	$1,320	$1,390	$1,460	$1,540	$1,620	$13,000
122	Indian employment credit	$50	$30	$30	$20	$20	$20	$20	$10	$10	$10	$10	$180
	Health:												
123	Exclusion of employer contributions for medical insurance premiums and medical care 10/	$224,520	$237,400	$252,430	$266,010	$308,280	$338,270	$354,440	$372,310	$391,600	$412,050	$433,530	$3,366,320
124	Self-employed medical insurance premiums	$8,200	$8,440	$8,840	$9,580	$11,860	$13,560	$14,430	$15,230	$15,960	$16,780	$17,690	$132,370
125	Medical Savings Accounts / Health Savings Accounts	$13,000	$13,890	$14,150	$14,760	$16,840	$18,270	$18,860	$19,500	$20,210	$20,760	$21,420	$178,660
126	Deductibility of medical expenses	$9,910	$10,900	$11,350	$12,170	$18,390	$22,760	$24,640	$26,630	$28,700	$30,900	$33,280	$219,720
127	Exclusion of interest on hospital construction bonds	$4,040	$4,050	$3,830	$3,760	$3,680	$3,680	$4,060	$3,890	$4,100	$4,330	$4,570	$39,950
128	Refundable Premium Assistance Tax Credit 11/	$14,730	$9,830	$7,380	$8,330	$9,570	$9,930	$10,570	$11,540	$11,900	$12,400	$13,110	$104,560
129	Credit for employee health insurance expenses of small business	$40	$30	$10	$10	$0	$0	$0	$0	$0	$0	$0	$50
130	Deductibility of charitable contributions (health)	$10,570	$11,170	$11,770	$12,350	$14,090	$17,030	$17,820	$18,620	$19,470	$20,330	$21,210	$163,860
131	Tax credit for orphan drug research	$1,970	$2,300	$2,680	$3,120	$3,640	$4,250	$4,960	$5,790	$6,760	$7,900	$9,220	$50,620
132	Special Blue Cross/Blue Shield tax benefits	$320	$370	$380	$400	$420	$440	$460	$490	$530	$570	$610	$4,670
133	Distributions from retirement plans for premiums for health and long-term care insurance	$460	$470	$490	$500	$590	$630	$650	$660	$670	$670	$680	$6,010
134	Credit for family and sick leave taken by self-employed individuals 12/	$2,790	$760	$0	$0	$0	$0	$0	$0	$0	$0	$0	$760
	Income security:												
135	Child tax credit 13/	$66,840	$67,520	$68,130	$48,680	$18,760	$18,310	$17,890	$17,460	$17,040	$16,640	$16,440	$306,870
136	Exclusion of railroad retirement (Social Security equivalent) benefits	$300	$260	$240	$220	$220	$210	$180	$150	$120	$90	$50	$1,740
137	Exclusion of workers' compensation benefits	$9,020	$9,030	$9,040	$9,040	$9,050	$9,060	$9,070	$9,080	$9,080	$9,090	$9,100	$90,640
138	Exclusion of public assistance benefits (normal tax method)	$670	$670	$660	$690	$730	$760	$800	$820	$810	$860	$880	$7,680
139	Exclusion of special benefits for disabled coal miners	$20	$20	$20	$20	$20	$10	$10	$10	$10	$10	$10	$140
140	Exclusion of military disability pensions	$180	$180	$180	$190	$210	$230	$230	$240	$250	$250	$260	$2,220
	Net exclusion of pension contributions and earnings:												
141	Defined benefit employer plans	$69,340	$69,560	$69,950	$69,340	$77,660	$76,780	$76,650	$76,270	$76,350	$75,110	$74,180	$741,850
142	Defined contribution employer plans	$106,710	$115,490	$117,830	$122,100	$146,190	$153,200	$160,100	$167,700	$176,330	$184,010	$192,750	$1,535,700
143	Individual Retirement Accounts	$23,600	$24,430	$25,020	$26,630	$32,940	$35,690	$38,310	$40,540	$43,380	$46,430	$49,560	$362,930
144	Low and moderate income savers credit	$1,260	$1,380	$1,440	$1,460	$1,570	$1,540	$1,520	$1,490	$1,450	$1,440	$1,410	$14,700
145	Self-Employed plans	$34,420	$37,250	$38,000	$39,380	$47,150	$49,410	$51,640	$54,090	$56,870	$59,350	$62,170	$495,310
	Exclusion of other employee benefits:												
146	Premiums on group term life insurance	$3,330	$3,390	$3,480	$3,590	$4,090	$4,360	$4,500	$4,650	$4,810	$4,970	$5,130	$42,970
147	Premiums on accident and disability insurance	$340	$340	$350	$350	$350	$350	$350	$350	$350	$350	$360	$3,500
148	Income of trusts to finance supplementary unemployment benefits	$20	$30	$40	$40	$40	$40	$50	$50	$50	$50	$50	$440
149	Income of trusts to finance voluntary employee benefits associations	$1,240	$1,310	$1,400	$1,490	$1,670	$1,730	$1,820	$1,920	$2,010	$2,110	$2,210	$17,670
150	Special ESOP rules	$210	$220	$220	$230	$230	$240	$240	$260	$270	$270	$280	$2,460
151	Additional deduction for the blind	$40	$40	$50	$50	$40	$50	$50	$50	$60	$60	$60	$510
152	Additional deduction for the elderly	$6,300	$6,920	$7,430	$7,970	$6,580	$7,030	$7,540	$7,940	$8,490	$9,050	$9,640	$78,590
153	Deductibility of casualty losses	$0	$0	$0	$0	$720	$1,090	$1,130	$1,170	$1,220	$1,290	$1,350	$7,970
154	Earned income tax credit 14/	$2,410	$2,700	$3,010	$3,230	$3,340	$5,030	$5,200	$5,340	$5,540	$5,690	$5,890	$44,970
155	Recovery rebate credits 15/	$19,320	$770	$0	$0	$0	$0	$0	$0	$0	$0	$0	$770
	Social Security:												
	Exclusion of social security benefits:												
156	Social Security benefits for retired and disabled workers and spouses, dependents and survivors	$29,760	$31,350	$31,730	$31,870	$36,830	$42,970	$44,940	$47,000	$49,070	$51,160	$53,450	$420,370
157	Credit for certain employer contributions to Social Security	$1,170	$1,300	$1,390	$1,480	$1,570	$1,660	$1,750	$1,840	$1,930	$2,020	$2,110	$17,050
	Veterans benefits and services:												
158	Exclusion of veterans death benefits and disability compensation	$10,430	$11,260	$11,780	$12,050	$12,980	$14,680	$15,270	$15,870	$16,490	$17,140	$17,830	$145,350
159	Exclusion of veterans pensions	$250	$220	$210	$200	$210	$220	$220	$220	$220	$210	$210	$2,140
160	Exclusion of GI bill benefits	$1,540	$1,500	$1,510	$1,530	$1,630	$1,820	$1,880	$1,930	$1,980	$2,040	$2,100	$17,920
161	Exclusion of interest on veterans housing bonds	$100	$100	$100	$100	$90	$100	$110	$100	$100	$110	$120	$1,030
	General purpose fiscal assistance:												
162	Exclusion of interest on public purpose State and local bonds	$38,610	$38,650	$36,550	$35,970	$35,070	$35,090	$38,800	$37,200	$39,220	$41,380	$43,640	$381,570
163	Build America Bonds 16/	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
164	Deductibility of nonbusiness State and local taxes other than on owner-occupied homes 17/	$5,750	$8,200	$7,950	$7,980	$90,040	$127,850	$131,020	$138,470	$146,370	$155,060	$164,400	$977,340
	Interest:												
165	Deferral of interest on U.S. savings bonds	$830	$820	$810	$800	$800	$790	$780	$770	$760	$750	$750	$7,830
	Addendum: Aid to State and local governments:												
	Deductibility of:												
	Property taxes on owner-occupied homes	$5,110	$7,420	$7,290	$7,440	$41,360	$60,900	$64,490	$67,960	$71,660	$75,640	$79,860	$484,020
	Nonbusiness State and local taxes other than on owner-occupied homes	$5,750	$8,200	$7,950	$7,980	$90,040	$127,850	$131,020	$138,470	$146,370	$155,060	$164,400	$977,340
	Exclusion of interest on State and local bonds for:												
	Public purposes	$38,610	$38,650	$36,550	$35,970	$35,070	$35,090	$38,800	$37,200	$39,220	$41,380	$43,640	$381,570
	Energy facilities	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
	Water, sewage, and hazardous waste disposal facilities	$370	$380	$360	$350	$340	$340	$390	$370	$380	$410	$430	$3,750
	Small-issues	$90	$90	$90	$90	$80	$80	$90	$90	$90	$100	$100	$900
	Owner-occupied mortgage subsidies	$1,130	$1,140	$1,070	$1,060	$1,030	$1,030	$1,150	$1,090	$1,150	$1,220	$1,280	$11,220
	Rental housing	$2,090	$2,090	$1,980	$1,950	$1,900	$1,900	$2,100	$2,010	$2,120	$2,230	$2,360	$20,640
	Airports, docks, and similar facilities	$1,350	$1,350	$1,280	$1,260	$1,220	$1,230	$1,360	$1,300	$1,370	$1,440	$1,530	$13,340
	Student loans	$190	$200	$190	$190	$180	$180	$200	$190	$200	$210	$220	$1,960
	Private nonprofit educational facilities	$2,960	$2,960	$2,790	$2,750	$2,680	$2,680	$2,970	$2,840	$3,000	$3,170	$3,330	$29,170
	Hospital construction	$4,040	$4,050	$3,830	$3,760	$3,680	$3,680	$4,060	$3,890	$4,100	$4,330	$4,570	$39,950
	Veterans' housing	$100	$100	$100	$100	$90	$100	$110	$100	$100	$110	$120	$1,030

Source: U.S. Department of the Treasury, Tax Expenditures, March 2024. https://home.treasury.gov/policy-issues/tax-policy/tax-expenditures

Notes:

1/ The alternative fuel mixture credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2022 $310; and $0 thereafter.

2/ In addition, the biodiesel producer tax credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2022 $3,660; 2023 $1,890; and $0 thereafter.

3/ In addition, the credit for holding clean renewable energy bonds has outlay effects of (in millions of dollars):
2022 $40; 2023 $40; 2024 $40; 2025 $40; 2026 $40; 2027 $40; 2028 $40; 2029 $40; 2030 $40; 2031 $40; and 2032 $40.

4/ In addition, the qualified energy conservation bonds have outlay effects of (in millions of dollars):
2022 $40; 2023 $

3/7/2023

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES FOR FISCAL YEARS 2021-2031

(in millions of dollars)

		Total from corporations and individuals											
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-2031
	National Defense												
1	Exclusion of benefits and allowances to armed forces personnel	$13,940	$14,500	$15,050	$15,630	$14,390	$14,540	$15,060	$15,720	$16,430	$17,200	$18,020	$156,540
	International affairs:												
2	Exclusion of income earned abroad by U.S. citizens	$6,470	$6,790	$7,130	$7,490	$7,860	$8,260	$8,670	$9,100	$9,560	$10,040	$10,540	$85,440
3	Exclusion of certain allowances for Federal employees abroad	$280	$290	$310	$320	$340	$360	$370	$390	$410	$430	$450	$3,670
4	Reduced tax rate on active income of controlled foreign corporations (normal tax method)	$19,520	$33,810	$36,350	$38,870	$41,180	$36,720	$34,220	$35,280	$35,990	$36,830	$37,720	$366,970
5	Deduction for foreign-derived intangible income derved from trade or business within the United States	$6,840	$11,900	$12,790	$13,680	$14,490	$9,130	$9,590	$9,890	$10,090	$10,320	$10,580	$112,460
6	Interest Charge Domestic International Sales Corporations (IC-DISCs)	$990	$1,520	$1,590	$1,670	$1,770	$2,040	$2,280	$2,410	$2,520	$2,630	$2,750	$21,180
	General science, space, and technology:												
7	Expensing of research and experimentation expenditures (normal tax method)	$6,420	-$22,210	-$39,660	-$28,680	-$17,470	-$5,540	$0	$0	$0	$0	$0	-$113,560
8	Credit for increasing research activities	$18,520	$20,400	$22,020	$23,500	$24,940	$26,380	$27,850	$29,350	$30,900	$32,520	$34,210	$272,070
	Energy:												
9	Expensing of exploration and development costs, fuels	-$50	$90	$220	$350	$390	$420	$440	$450	$460	$460	$440	$3,720
10	Excess of percentage over cost depletion, fuels	$620	$720	$790	$830	$870	$940	$1,010	$1,090	$1,150	$1,210	$1,270	$9,880
11	Exception from passive loss limitation for working interests in oil and gas properties	$20	$20	$20	$20	$20	$20	$20	$20	$20	$20	$20	$200
12	Capital gains treatment of royalties on coal	$70	$50	$50	$50	$50	$60	$60	$60	$70	$70	$70	$590
13	Exclusion of interest on energy facility bonds	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
14	Enhanced oil recovery credit	$510	$400	$370	$590	$800	$990	$1,190	$1,340	$1,400	$1,450	$1,490	$10,020
15	Energy production credit 1/	$5,290	$5,220	$5,510	$5,900	$6,170	$5,910	$5,730	$5,410	$5,020	$4,400	$3,660	$52,930
16	Marginal wells credit	$250	$270	$220	$230	$290	$370	$410	$440	$450	$460	$470	$3,610
17	Energy investment credit 1/	$6,360	$7,210	$7,010	$7,610	$7,770	$7,170	$7,070	$5,700	$4,580	$3,270	$2,590	$59,980
18	Alcohol fuel credits 2/	$10	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
19	Bio-Diesel and small agri-biodiesel producer tax credits 3/	$40	$40	$20	$0	$0	$0	$0	$0	$0	$0	$0	$60
20	Tax credits for clean-fuel burning vehicles and refueling property	$450	$580	$550	$470	$460	$440	$360	$310	$290	$280	$270	$4,010
21	Exclusion of utility conservation subsidies	$60	$50	$50	$50	$40	$40	$40	$30	$30	$30	$30	$390
22	Credit for holding clean renewable energy bonds 4/	$70	$70	$70	$70	$70	$70	$70	$70	$70	$70	$70	$700
23	Credit for investment in clean coal facilities	$0	$0	$10	$20	$40	$40	$40	$30	$30	$20	$20	$250
24	Amortize all geological and geophysical expenditures over 2 years	$110	$120	$120	$140	$140	$140	$140	$140	$130	$120	$120	$1,310
25	Allowance of deduction for certain energy efficient commercial building property	$210	$140	$120	$120	$120	$130	$130	$130	$130	$130	$130	$1,280
26	Credit for construction of new energy efficient homes	$370	$280	$260	$250	$260	$270	$170	$60	$20	$0	$0	$1,570
27	Credit for energy efficiency improvements to existing homes	$240	$120	$0	$0	$0	$0	$0	$0	$0	$0	$0	$120
28	Credit for residential energy efficient property	$2,590	$2,200	$1,640	$480	$140	$0	$0	$0	$0	$0	$0	$4,460
29	Qualified energy conservation bonds 5/	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30	$300
30	Advanced Energy Property Credit	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$0	$90
31	Advanced nuclear power production credit	$0	$30	$140	$210	$240	$270	$280	$280	$280	$230	$100	$2,060
32	Reduced tax rate for nuclear decommissioning funds	$110	$110	$120	$120	$130	$130	$140	$150	$150	$160	$170	$1,380
	Natural resources and environment:												
33	Expensing of exploration and development costs, nonfuel minerals	$0	$10	$10	$20	$40	$40	$40	$40	$40	$40	$40	$320
34	Excess of percentage over cost depletion, nonfuel minerals	$110	$120	$140	$140	$150	$160	$180	$200	$200	$220	$220	$1,730
35	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	$350	$360	$350	$360	$360	$390	$400	$400	$430	$420	$430	$3,900
36	Capital gains treatment of certain timber income	$140	$140	$150	$150	$160	$170	$190	$200	$210	$220	$230	$1,820
37	Expensing of multiperiod timber growing costs	$210	$220	$220	$240	$240	$250	$260	$280	$280	$290	$300	$2,580
38	Tax incentives for preservation of historic structures	$610	$580	$670	$810	$910	$980	$1,020	$1,030	$1,040	$1,060	$1,070	$9,170
39	Carbon oxide sequestration credit	$460	$580	$720	$820	$1,020	$1,310	$2,180	$2,970	$3,250	$3,570	$3,710	$20,130
40	Deduction for endangered species recovery expenditures	$30	$30	$30	$40	$40	$40	$60	$60	$60	$70	$70	$500
	Agriculture:												
41	Expensing of certain capital outlays	$110	$120	$130	$130	$140	$170	$190	$200	$200	$210	$220	$1,710
42	Expensing of certain multiperiod production costs	$320	$270	$280	$290	$310	$380	$420	$440	$460	$480	$500	$3,830
43	Treatment of loans forgiven for solvent farmers	$50	$60	$60	$60	$60	$70	$70	$70	$70	$70	$70	$660
44	Capital gains treatment of certain agriculture income	$1,370	$1,440	$1,500	$1,540	$1,610	$1,750	$1,890	$1,980	$2,080	$2,180	$2,280	$18,250
45	Income averaging for farmers	$190	$200	$200	$210	$220	$230	$230	$230	$230	$230	$230	$2,210
46	Deferral of gain on sale of farm refiners	$20	$20	$20	$20	$20	$20	$20	$20	$20	$20	$20	$200
47	Expensing of reforestation expenditures	$50	$60	$60	$60	$70	$70	$80	$80	$80	$80	$80	$720
	Commerce and housing:												
	Financial institutions and insurance:												
48	Exemption of credit union income	$2,080	$2,120	$2,170	$2,350	$2,410	$2,450	$2,650	$2,740	$2,790	$2,830	$2,820	$25,330
49	Exclusion of life insurance death benefits	$11,970	$12,910	$13,400	$14,130	$14,930	$15,890	$16,850	$17,140	$17,700	$18,180	$18,590	$159,720
50	Exemption or special alternative tax for small property and casualty insurance companies	$1,050	$1,170	$1,210	$1,240	$1,270	$1,300	$1,350	$1,380	$1,410	$1,470	$1,510	$13,310
51	Tax exemption of insurance income earned by tax-exempt organizations	$330	$350	$360	$370	$370	$380	$390	$390	$400	$410	$420	$3,840
52	Exclusion of interest spread of financial institutions	$3,110	$2,030	$2,100	$2,170	$2,260	$2,400	$2,530	$2,600	$2,690	$2,780	$2,860	$24,420
	Housing:												
53	Exclusion of interest on owner-occupied mortgage subsidy bonds	$910	$920	$890	$920	$920	$1,000	$1,040	$1,050	$1,140	$1,090	$1,130	$10,100
54	Exclusion of interest on rental housing bonds	$1,540	$1,560	$1,510	$1,550	$1,560	$1,690	$1,750	$1,780	$1,930	$1,830	$1,910	$17,070
55	Deductibility of mortgage interest on owner-occupied homes	$29,370	$30,340	$31,340	$33,530	$36,770	$79,990	$105,190	$111,260	$117,100	$123,350	$129,490	$798,360
56	Deductibility of State and local property tax on owner-occupied homes 17/	$6,740	$7,030	$7,070	$7,290	$7,700	$39,370	$57,270	$60,230	$63,060	$66,110	$69,310	$384,440
57	Deferral of income from installment sales	$1,490	$1,560	$1,620	$1,670	$1,730	$1,800	$1,870	$1,940	$2,020	$2,110	$2,200	$18,520
58	Capital gains exclusion on home sales	$40,900	$42,730	$44,640	$46,410	$48,110	$53,260	$56,890	$58,980	$61,240	$63,650	$66,210	$542,120
59	Exclusion of net imputed rental income	$124,100	$130,880	$135,350	$137,800	$139,670	$168,950	$176,240	$183,760	$191,740	$200,200	$209,370	$1,673,960
60	Exception from passive loss rules for $25,000 of rental loss	$5,910	$5,940	$6,200	$6,460	$6,980	$7,720	$8,010	$8,260	$8,480	$8,750	$9,080	$75,880
61	Credit for low-income housing investments	$8,900	$11,280	$10,540	$10,380	$10,340	$10,410	$10,690	$10,970	$11,250	$11,550	$11,850	$109,260
62	Accelerated depreciation on rental housing (normal tax method)	$4,390	$4,430	$4,550	$4,820	$5,160	$5,720	$6,310	$6,740	$7,060	$7,260	$7,490	$59,540
63	Discharge of mortgage indebtedness	$250	$270	$280	$290	$310	$80	$0	$0	$0	$0	$0	$1,230
64	Premiums for mortgage insurance deductible as interest	$580	$150	$0	$0	$0	$0	$0	$0	$0	$0	$0	$150
	Commerce:												
65	Discharge of business indebtedness	$30	$40	$20	$20	$10	$30	$30	$30	$30	$40	$40	$290
66	Exceptions from imputed interest rules	$20	$30	$40	$50	$50	$60	$70	$70	$80	$80	$80	$610
67	Treatment of qualified dividends	$31,650	$33,120	$34,660	$35,880	$37,560	$40,660	$43,600	$45,580	$47,870	$50,100	$52,400	$421,430
68	Capital gains (except agriculture, timber, iron ore, and coal)	$102,250	$107,710	$111,640	$115,280	$119,950	$130,650	$141,370	$147,950	$155,320	$162,550	$170,430	$1,362,850
69	Capital gains exclusion of small corporation stock	$1,520	$1,620	$1,740	$1,830	$1,900	$1,970	$2,040	$2,110	$2,200	$2,290	$2,390	$20,090
70	Step-up basis of capital gains at death	$41,850	$43,910	$46,060	$48,480	$51,420	$53,990	$58,580	$62,250	$66,070	$70,270	$74,830	$575,860
71	Carryover basis of capital gains on gifts	$3,400	$4,290	$4,360	$4,610	$4,650	$5,240	$5,890	$5,700	$5,590	$5,590	$5,670	$51,590
72	Ordinary income treatment of loss from small business corporation stock sale	$70	$70	$70	$80	$80	$80	$80	$90	$90	$90	$90	$820
73	Deferral of gains from like-kind exchanges	$3,520	$3,690	$3,870	$4,060	$4,260	$4,480	$4,690	$4,930	$5,180	$5,430	$5,710	$46,300
74	Depreciation of buildings other than rental housing (normal tax method)	$3,700	$3,470	$3,040	$2,800	$2,680	$2,620	$2,520	$2,580	$2,690	$2,730	$2,860	$27,990
75	Accelerated depreciation of machinery and equipment (normal tax method)	$31,470	$26,180	$11,510	-$2,550	-$14,470	-$25,430	-$37,190	-$29,250	-$15,150	-$6,710	-$1,390	-$94,450
76	Expensing of certain small investments (normal tax method)	-$1,580	-$760	$3,470	$6,980	$9,400	$12,340	$15,400	$14,330	$12,040	$10,840	$10,270	$94,310
77	Exclusion of interest on small issue bonds	$100	$100	$90	$90	$90	$110	$110	$110	$120	$120	$120	$1,060
78	Special rules for certain film and TV production	-$50	$0	$100	$180	$240	-$390	-$530	-$260	-$120	-$50	-$20	-$850
79	Allow 20-percent deduction to certain pass-through income	$33,780	$56,070	$56,700	$59,150	$63,030	$25,910	$0	$0	$0	$0	$0	$260,860
	Transportation:												
80	Tonnage tax	$100	$110	$110	$110	$120	$120	$120	$130	$130	$140	$140	$1,230
81	Deferral of tax on shipping companies	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
82	Exclusion of reimbursed employee parking expenses	$1,460	$1,740	$2,090	$2,150	$2,220	$2,330	$2,440	$2,550	$2,670	$2,850	$3,040	$24,080
83	Exclusion for employer-provided transit passes	$290	$360	$440	$470	$490	$530	$570	$610	$660	$750	$840	$5,720
84	Tax credit for certain expenditures for maintaining railroad tracks	$170	$170	$130	$80	$60	$40	$30	$30	$20	$10	$10	$580
85	Exclusion of interest on bonds for Highway Projects and rail-truck transfer facilities	$250	$250	$230	$230	$210	$200	$190	$180	$170	$160	$150	$1,970
	Community and regional development:												
86	Exclusion of interest for airport, dock, and similar bonds	$920	$930	$900	$930	$930	$1,010	$1,040	$1,060	$1,150	$1,100	$1,140	$10,190
87	Exemption of certain mutuals' and cooperatives' income	$90	$100	$100	$100	$100	$110	$110	$110	$110	$120	$120	$1,080
88	Empowerment zones	$130	$90	$100	$110	$110	$90	$60	$40	$20	$20	$20	$660
89	New markets tax credit	$1,140	$1,170	$1,210	$1,250	$1,310	$1,360	$1,340	$1,230	$1,060	$870	$640	$11,440
90	Credit to holders of Gulf Tax Credit Bonds.	$120	$110	$100	$90	$80	$80	$80	$70	$60	$60	$50	$780
91	Recovery Zone Bonds 5/	$110	$100	$90	$80	$80	$70	$70	$60	$60	$50	$40	$700
92	Tribal Economic Development Bonds	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
93	Opportunity Zones	$2,990	$3,490	$2,100	$2,180	$2,070	-$5,580	-$11,220	$590	$760	$990	$1,120	-$3,480
94	Employee retention credit	$160	$160	$90	$60	$60	$50	$40	$40	$30	$30	$20	$580
	Education, training, employment, and social services:												
	Education:												
95	Exclusion of scholarship and fellowship income (normal tax method)	$3,790	$4,140	$4,280	$4,520	$4,800	$5,370	$6,230	$6,590	$6,980	$7,380	$7,800	$58,090
96	Tax credits and deductions for postsecondary education expenses 6/	$9,250	$14,620	$14,380	$14,320	$14,180	$14,070	$14,130	$13,900	$13,670	$13,430	$13,200	$139,900
97	Deductibility of student-loan interest	$2,110	$2,260	$2,190	$2,280	$2,330	$2,530	$2,880	$2,920	$3,040	$3,060	$3,100	$26,590
98	Qualified tuition programs (includes Education IRA)	$2,790	$2,970	$3,200	$3,570	$4,060	$4,980	$5,980	$7,090	$8,550	$10,500	$13,070	$63,970
99	Exclusion of interest on student-loan bonds	$180	$180	$180	$180	$180	$200	$200	$210	$220	$220	$220	$1,990
100	Exclusion of interest on bonds for private nonprofit educational facilities	$2,450	$2,470	$2,400	$2,460	$2,480	$2,690	$2,780	$2,820	$3,070	$2,920	$3,030	$27,120
101	Credit for holders of zone academy bonds 7/	$290	$270	$250	$230	$200	$180	$180	$160	$160	$140	$140	$1,910
102	Exclusion of interest on savings bonds redeemed to finance educational expenses	$40	$40	$40	$40	$40	$50	$50	$50	$50	$50	$50	$460
103	Parental personal exemption for students age 19 or over	$0	$0	$0	$0	$0	$3,400	$5,020	$4,930	$4,830	$4,740	$4,640	$27,560
104	Deductibility of charitable contributions (education)	$6,840	$7,270	$7,730	$8,170	$8,600	$10,260	$13,220	$13,820	$14,480	$14,720	$14,970	$113,240
105	Exclusion of employer-provided educational assistance	$1,390	$1,510	$1,630	$1,740	$1,860	$1,650	$1,570	$1,650	$1,730	$1,810	$1,900	$17,050
106	Special deduction for teacher expenses	$170	$180	$170	$170	$180	$190	$210	$210	$210	$210	$220	$1,950
107	Discharge of student loan indebtedness	$90	$90	$100	$110	$120	$150	$170	$190	$210	$240	$260	$1,640
108	Qualified school construction bonds 8/	$540	$520	$490	$470	$440	$410	$390	$360	$330	$320	$300	$4,030
	Training, employment, and social services:												
109	Work opportunity tax credit	$1,690	$1,780	$1,830	$1,890	$1,950	$1,300	$530	$370	$280	$200	$160	$10,290
110	Employer provided child care exclusion	$420	$530	$640	$680	$730	$970	$1,100	$1,170	$1,240	$1,320	$1,390	$9,770
111	Employer-provided child care credit	$20	$20	$20	$20	$20	$20	$20	$30	$30	$30	$40	$250
112	Assistance for adopted foster children	$660	$700	$750	$800	$850	$900	$960	$1,020	$1,080	$1,150	$1,220	$9,430
113	Adoption credit and exclusion	$790	$830	$860	$880	$900	$910	$920	$930	$940	$950	$950	$9,070
114	Exclusion of employee meals and lodging (other than military)	$5,620	$7,760	$8,120	$8,050	$8,270	$9,560	$10,300	$10,570	$10,870	$11,210	$11,560	$96,270
115	Credit for child and dependent care expenses 9/	$3,860	$5,230	$3,480	$3,540	$3,610	$3,730	$3,870	$3,950	$4,040	$4,120	$4,210	$39,780
116	Credit for disabled access expenditures	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
117	Deductibility of charitable contributions, other than education and health	$52,140	$55,500	$58,860	$62,250	$65,550	$79,070	$103,560	$108,430	$113,540	$118,890	$124,490	$890,140
118	Exclusion of certain foster care payments	$510	$510	$520	$530	$540	$540	$540	$540	$560	$580	$590	$5,450
119	Exclusion of parsonage allowances	$950	$1,000	$1,050	$1,110	$1,170	$1,230	$1,300	$1,370	$1,440	$1,510	$1,590	$12,770
120	Indian employment credit	$70	$50	$30	$30	$30	$20	$20	$20	$10	$10	$10	$230
121	Credit for employer differential wage payments	$0	$0	$0	$0	$0	$10	$10	$10	$20	$20	$20	$90
	Health:	$221,460	$221,020	$225,140	$235,300	$248,460	$289,890	$320,580	$337,950	$356,210	$375,490	$395,820	$3,005,860
122	Exclusion of employer contributions for medical insurance premiums and medical care 10/	$7,690	$8,010	$8,530	$9,080	$9,650	$11,070	$12,180	$12,870	$13,580	$14,300	$15,120	$114,390
123	Self-employed medical insurance premiums	$10,760	$10,890	$11,150	$11,610	$12,220	$13,900	$14,960	$15,490	$16,050	$16,540	$17,020	$139,830
124	Medical Savings Accounts / Health Savings Accounts	$8,350	$8,820	$9,390	$10,100	$10,980	$16,760	$20,830	$22,660	$24,600	$26,700	$28,940	$179,780
125	Deductibility of medical expenses	$3,510	$3,530	$3,430	$3,520	$3,540	$3,840	$3,970	$4,040	$4,380	$4,170	$4,320	$38,740
126	Exclusion of interest on hospital construction bonds	$6,360	$5,160	$3,690	$3,990	$4,270	$4,980	$5,450	$5,910	$6,310	$6,670	$7,090	$53,520
127	Refundable Premium Assistance Tax Credit 11/	$40	$30	$10	$10	$0	$0	$0	$0	$0	$0	$0	$50
128	Credit for employee health insurance expenses of small business	$9,970	$10,570	$11,170	$11,770	$12,350	$14,090	$17,030	$17,820	$18,620	$19,470	$20,330	$153,220
129	Deductibility of charitable contributions (health)	$1,900	$2,290	$2,750	$3,310	$3,990	$4,800	$5,770	$6,940	$8,360	$10,060	$12,110	$60,380
130	Tax credit for orphan drug research	$230	$300	$330	$350	$360	$380	$400	$430	$460	$490	$530	$4,030
131	Special Blue Cross/Blue Shield tax benefits	$450	$460	$470	$490	$500	$590	$630	$650	$660	$670	$670	$5,790
132	Distributions from retirement plans for premiums for health and long-term care insurance	$1,180	$180	$0	$0	$0	$0	$0	$0	$0	$0	$0	$180
133	Credit for family and sick leave taken by self-employed individuals 13/												
	Income security:	$72,570	$65,240	$76,880	$77,010	$77,470	$48,710	$20,580	$20,330	$20,100	$19,880	$19,660	$445,860
134	Child credit 15/	$300	$280	$250	$230	$210	$200	$190	$170	$140	$110	$80	$1,860
135	Exclusion of railroad retirement (Social Security equivalent) benefits	$9,010	$9,020	$9,030	$9,040	$9,040	$9,050	$9,060	$9,070	$9,080	$9,080	$9,090	$90,560
136	Exclusion of workers' compensation benefits	$600	$600	$630	$630	$640	$680	$700	$730	$740	$730	$770	$6,850
137	Exclusion of public assistance benefits (normal tax method)	$20	$20	$20	$20	$20	$20	$10	$10	$10	$10	$10	$150
138	Exclusion of special benefits for disabled coal miners	$170	$170	$170	$170	$180	$200	$210	$210	$220	$220	$230	$1,980
139	Exclusion of military disability pensions												
	Net exclusion of pension contributions and earnings:	$70,340	$73,370	$74,750	$77,170	$78,490	$86,410	$86,680	$87,300	$84,610	$81,640	$77,550	$807,970
140	Defined benefit employer plans	$100,020	$102,850	$109,150	$111,860	$117,110	$138,380	$142,790	$148,130	$154,690	$161,090	$167,690	$1,353,740
141	Defined contribution employer plans	$20,770	$19,890	$21,460	$22,630	$23,660	$28,840	$30,570	$32,170	$34,010	$36,300	$38,780	$288,310
142	Individual Retirement Accounts	$1,220	$1,260	$1,300	$1,270	$1,270	$1,440	$1,410	$1,400	$1,400	$1,390	$1,400	$13,540
143	Low and moderate income savers credit	$32,260	$33,170	$35,210	$36,080	$37,780	$44,640	$46,060	$47,780	$49,900	$51,960	$54,090	$436,670
144	Self-Employed plans												
	Exclusion of other employee benefits:	$3,190	$3,250	$3,330	$3,450	$3,580	$4,060	$4,310	$4,450	$4,590	$4,740	$4,900	$40,660
145	Premiums on group term life insurance	$340	$340	$340	$350	$350	$350	$350	$350	$350	$350	$350	$3,480
146	Premiums on accident and disability insurance	$20	$10	$20	$20	$30	$30	$30	$40	$40	$40	$40	$300
147	Income of trusts to finance supplementary unemployment benefits	$1,130	$1,190	$1,260	$1,330	$1,420	$1,580	$1,640	$1,720	$1,810	$1,900	$1,990	$15,840
148	Income of trusts to finance voluntary employee benefits associations	$210	$220	$220	$230	$230	$240	$240	$250	$250	$270	$270	$2,420
149	Special ESOP rules	$40	$40	$40	$40	$50	$50	$50	$50	$50	$60	$60	$490
150	Additional deduction for the blind	$5,900	$6,020	$6,520	$6,940	$7,490	$6,450	$6,960	$7,500	$7,820	$8,370	$8,940	$73,010
151	Additional deduction for the elderly	$0	$0	$0	$0	$0	$650	$1,010	$1,030	$1,070	$110	$1,140	$5,010
152	Deductibility of casualty losses	$2,080	$2,410	$2,780	$2,970	$3,060	$3,130	$4,590	$4,730	$4,870	$5,040	$5,200	$38,780
153	Earned income tax credit 16/	$20,480	$1,280	$20	$0	$0	$0	$0	$0	$0	$0	$0	$1,300
154	Recovery rebate credits 17/	$26,480	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Social Security:												
	Exclusion of social security benefits:												
155	Social Security benefits for retired and disabled workers and spouses, dependents and survivors	$26,630	$27,240	$27,570	$29,330	$29,890	$33,300	$38,390	$40,090	$41,900	$43,740	$45,510	$356,960
156	Credit for certain employer contributions to social security	$1,040	$1,410	$1,560	$1,670	$1,780	$1,890	$1,990	$2,100	$2,210	$2,320	$2,420	$19,350
	Veterans benefits and services:												
157	Exclusion of veterans death benefits and disability compensation	$9,770	$11,010	$11,380	$11,720	$12,160	$13,180	$14,950	$15,580	$16,230	$16,890	$17,590	$140,690
158	Exclusion of veterans pensions	$220	$230	$220	$210	$210	$220	$250	$250	$250	$250	$250	$2,340
159	Exclusion of GI bill benefits	$1,470	$1,510	$1,470	$1,500	$1,550	$1,670	$1,880	$1,950	$2,020	$2,090	$2,170	$17,810
160	Exclusion of interest on veterans housing bonds	$80	$90	$90	$80	$90	$90	$100	$100	$110	$110	$100	$960
	General purpose fiscal assistance:												
161	Exclusion of interest on public purpose State and local bonds	$31,240	$31,520	$30,520	$31,360	$31,580	$34,230	$35,380	$35,950	$38,990	$37,130	$38,540	$345,200
162	Build America Bonds 18/	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
163	Deductibility of nonbusiness State and local taxes other than on owner-occupied homes 19/	$7,170	$7,670	$7,710	$7,880	$8,240	$86,240	$120,500	$121,690	$127,380	$133,560	$140,090	$760,960
	Interest:												
164	Deferral of interest on U.S. savings bonds	$840	$830	$820	$810	$800	$800	$790	$780	$770	$760	$750	$7,910
	Addendum: Aid to State and local governments:												
	Deductibility of:												
	Property taxes on owner-occupied homes	$6,740	$7,030	$7,070	$7,290	$7,700	$39,370	$57,270	$60,230	$63,060	$66,110	$69,310	$384,440
	Nonbusiness State and local taxes other than on owner-occupied homes	$7,170	$7,670	$7,710	$7,880	$8,240	$86,240	$120,500	$121,690	$127,380	$133,560	$140,090	$760,960
	Exclusion of interest on State and local bonds for:												
	Public purposes	$31,240	$31,520	$30,520	$31,360	$31,580	$34,230	$35,380	$35,950	$38,990	$37,130	$38,540	$345,200
	Energy facilities	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
	Water, sewage, and hazardous waste disposal facilities	$350	$360	$350	$360	$360	$390	$400	$400	$430	$420	$430	$3,900
	Small-issues	$100	$100	$90	$90	$90	$110	$110	$110	$120	$120	$120	$1,060
	Owner-occupied mortgage subsidies	$910	$920	$890	$920	$920	$1,000	$1,040	$1,050	$1,140	$1,090	$1,130	$10,100
	Rental housing	$1,540	$1,560	$1,510	$1,550	$1,560	$1,690	$1,750	$1,780	$1,930	$1,830	$1,910	$17,070
	Airports, docks, and similar facilities	$920	$930	$900	$930	$930	$1,010	$1,040	$1,060	$1,150	$1,100	$1,140	$10,190
	Student loans	$180	$180	$180	$180	$180	$200	$200	$210	$220	$220	$220	$1,990
	Private nonprofit educational facilities	$2,450	$2,470	$2,400	$2,460	$2,480	$2,690	$2,780	$2,820	$3,070	$2,920	$3,030	$27,120
	Hospital construction	$3,510	$3,530	$3,430	$3,520	$3,540	$3,840	$3,970	$4,040	$4,380	$4,170	$4,320	$38,740
	Veterans' housing	$80	$90	$90	$80	$90	$90	$100	$100	$110	$110	$100	$960

Notes:

1/ Firms can take an energy grant in lieu of the energy production credit or the energy investment credit for facilities whose construction began in 2009, 2010, or 2011. The effect of the grant on outlays (in millions of dollars) is as follows: $0 in 2019 and thereafter.

2/ The alternative fuel mixture credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2020 $550; 2021 $1,020; 2022 $330 and $0 thereafter.

3/ In addition, the biodiesel producer tax credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2020 $5,090;, 2021 $3,000; 2022 $2,720; 2023 $1,340 and $0 thereafter.

4/ In addition, the credit for holding clean renewable energy bonds has outlay effects of (in millions of dollars):
2020 $30; 2021 $40; 2022 $40; 2023 $40; 2024 $40; 2025 $40; 2026, $40; 2027 $40; 2028 $40; 2029 $40, and 2030 $40.

5/ In addition, the qualified energy conservation bonds have outlay effects of (in millions of dollars):
2020 $30; 2021 $40; 2022 $40;

7/6/2021

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES FOR FISCAL YEARS 2020-2030

(in millions of dollars)

		Total from corporations and individuals											
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021-2030
National Defense													
1	Exclusion of benefits and allowances to armed forces personnel	$12,910	$13,940	$14,460	$15,010	$13,770	$13,890	$14,380	$14,990	$15,660	$16,390	$17,160	$149,650
International affairs:													
2	Exclusion of income earned abroad by U.S. citizens	$6,160	$6,470	$6,790	$7,130	$7,490	$7,860	$8,260	$8,670	$9,100	$9,560	$10,040	$81,370
3	Exclusion of certain allowances for Federal employees abroad	$270	$280	$290	$310	$320	$340	$360	$370	$390	$410	$430	$3,500
4	Reduced tax rate on active income of controlled foreign corporations (normal tax method)	$27,570	$29,780	$32,240	$33,980	$35,730	$37,550	$29,390	$30,580	$30,890	$31,370	$32,040	$323,560
5	Deduction for foreign-derived intangible income derved from trade or business within the United States	$9,450	$10,200	$11,050	$11,650	$12,250	$12,870	$7,620	$7,930	$8,010	$8,140	$8,310	$98,030
6	Interest Charge Domestic International Sales Corporations (IC-DISCs)	$890	$1,370	$1,440	$1,510	$1,590	$1,690	$2,010	$2,280	$2,410	$2,520	$2,600	$19,420
General science, space, and technology:													
7	Expensing of research and experimentation expenditures (normal tax method)	$5,420	$3,980	-$17,100	-$29,140	-$22,200	-$13,600	-$4,180	$0	$0	$0	$0	-$82,240
8	Credit for increasing research activities	$16,940	$18,300	$19,910	$21,360	$22,720	$24,060	$25,420	$26,790	$28,170	$29,600	$31,070	$247,400
Energy:													
9	Expensing of exploration and development costs, fuels	$40	-$40	$90	$230	$380	$430	$460	$480	$490	$500	$490	$3,510
10	Excess of percentage over cost depletion, fuels	$590	$600	$720	$790	$830	$870	$950	$1,020	$1,090	$1,150	$1,210	$9,230
11	Exception from passive loss limitation for working interests in oil and gas properties	$20	$20	$10	$20	$20	$20	$20	$20	$20	$20	$20	$190
12	Capital gains treatment of royalties on coal	$100	$70	$50	$50	$50	$50	$60	$60	$60	$70	$70	$590
13	Exclusion of interest on energy facility bonds	$0	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
14	Enhanced oil recovery credit	$470	$500	$560	$660	$880	$1,080	$1,190	$1,250	$1,310	$1,360	$1,400	$10,190
15	Energy production credit 1/	$5,020	$5,280	$5,180	$5,420	$5,770	$6,010	$5,740	$5,570	$5,260	$4,870	$4,280	$53,380
16	Marginal wells credit	$150	$250	$310	$280	$210	$140	$90	$40	$20	$0	$0	$1,340
17	Energy investment credit 1/	$6,070	$6,330	$7,050	$6,780	$7,380	$7,540	$6,970	$6,880	$5,520	$4,450	$3,180	$62,080
18	Alcohol fuel credits 2/	$0	$10	$0	$0	$0	$0	$0	$0	$0	$0	$0	$10
19	Bio-Diesel and small agri-biodiesel producer tax credits 3/	$30	$40	$40	$20	$0	$0	$0	$0	$0	$0	$0	$100
20	Tax credits for clean-fuel burning vehicles and refueling property	$570	$440	$480	$440	$380	$360	$330	$270	$240	$230	$230	$3,400
21	Exclusion of utility conservation subsidies	$60	$60	$50	$50	$50	$40	$40	$40	$30	$30	$30	$420
22	Credit for holding clean renewable energy bonds 4/	$70	$70	$70	$70	$70	$70	$70	$70	$70	$70	$70	$700
23	Credit for investment in clean coal facilities	$30	$30	$20	$10	$30	$30	$30	$30	$40	$30	$30	$280
24	Amortize all geological and geophysical expenditures over 2 years	$80	$80	$90	$100	$110	$110	$110	$110	$110	$100	$100	$1,020
25	Allowance of deduction for certain energy efficient commercial building property	$160	$190	$130	$110	$110	$110	$110	$110	$110	$110	$110	$1,200
26	Credit for construction of new energy efficient homes	$320	$370	$280	$260	$250	$260	$270	$170	$60	$20	$0	$1,940
27	Credit for energy efficiency improvements to existing homes	$240	$240	$120	$0	$0	$0	$0	$0	$0	$0	$0	$360
28	Credit for residential energy efficient property	$2,370	$2,390	$1,980	$1,450	$420	$120	$0	$0	$0	$0	$0	$6,360
29	Qualified energy conservation bonds 5/	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30	$30	$300
30	Advanced Energy Property Credit	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
31	Advanced nuclear power production credit	$0	$0	$80	$180	$220	$240	$270	$280	$280	$270	$180	$2,000
32	Reduced tax rate for nuclear decommissioning funds	$100	$110	$110	$120	$120	$130	$130	$140	$150	$150	$160	$1,320
Natural resources and environment:													
33	Expensing of exploration and development costs, nonfuel minerals	$0	$0	$10	$20	$40	$40	$40	$40	$50	$50	$50	$340
34	Excess of percentage over cost depletion, nonfuel minerals	$110	$100	$120	$140	$140	$160	$160	$180	$200	$200	$220	$1,620
35	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	$270	$330	$350	$350	$350	$360	$370	$390	$400	$430	$420	$3,750
36	Capital gains treatment of certain timber income	$130	$130	$140	$140	$150	$150	$170	$190	$200	$210	$220	$1,700
37	Expensing of multiperiod timber growing costs	$50	$60	$60	$70	$70	$70	$80	$80	$90	$80	$80	$740
38	Tax incentives for preservation of historic structures	$660	$610	$590	$670	$820	$930	$1,000	$1,030	$1,060	$1,070	$1,090	$8,870
39	Carbon oxide sequestration credit	$14	$123	$277	$449	$646	$873	$1,111	$1,319	$1,511	$1,694	$1,905	$9,908
40	Deduction for endangered species recovery expenditures	$30	$30	$30	$30	$40	$40	$40	$60	$60	$60	$70	$460
Agriculture:													
41	Expensing of certain capital outlays	$80	$120	$160	$160	$170	$180	$220	$240	$250	$260	$270	$2,030
42	Expensing of certain multiperiod production costs	$560	$370	$340	$360	$370	$390	$480	$540	$560	$580	$600	$4,590
43	Treatment of loans forgiven for solvent farmers	$50	$50	$60	$60	$60	$60	$70	$70	$70	$70	$70	$640
44	Capital gains treatment of certain agriculture income	$1,330	$1,340	$1,370	$1,410	$1,470	$1,540	$1,720	$1,900	$1,990	$2,090	$2,190	$17,020
45	Income averaging for farmers	$170	$180	$200	$200	$210	$220	$230	$230	$230	$230	$230	$2,160
46	Deferral of gain on sale of farm refiners	$15	$15	$15	$15	$15	$20	$20	$20	$20	$20	$20	$180
47	Expensing of reforestation expenditures	$50	$60	$60	$70	$70	$70	$80	$80	$90	$80	$80	$740
Commerce and housing:													
	Financial institutions and insurance:												
48	Exemption of credit union income	$2,140	$2,080	$2,120	$2,170	$2,350	$2,410	$2,450	$2,650	$2,740	$2,790	$2,830	$24,564
49	Exclusion of life insurance death benefits	$11,690	$11,560	$12,080	$12,440	$12,870	$13,400	$14,210	$15,160	$15,700	$16,100	$16,580	$140,080
50	Exemption or special alternative tax for small property and casualty insurance companies	$110	$120	$120	$130	$130	$130	$140	$140	$150	$150	$160	$1,370
51	Tax exemption of insurance income earned by tax-exempt organizations	$320	$320	$340	$350	$350	$360	$360	$370	$380	$380	$390	$3,600
52	Exclusion of interest spread of financial institutions	$4,230	$3,110	$2,030	$2,080	$2,150	$2,240	$2,380	$2,500	$2,580	$2,660	$2,740	$24,470
	Housing:												
53	Exclusion of interest on owner-occupied mortgage subsidy bonds	$710	$850	$920	$900	$910	$920	$980	$1,020	$1,050	$1,110	$1,100	$9,760
54	Exclusion of interest on rental housing bonds	$1,200	$1,430	$1,550	$1,530	$1,530	$1,560	$1,640	$1,720	$1,770	$1,870	$1,870	$16,470
55	Deductibility of mortgage interest on owner-occupied homes	$24,730	$25,440	$26,170	$26,920	$28,340	$30,250	$67,330	$89,630	$95,150	$100,420	$106,330	$595,980
56	Deductibility of State and local property tax on owner-occupied homes 17/	$6,450	$6,370	$6,450	$6,620	$6,860	$7,130	$35,890	$52,340	$55,090	$57,590	$60,260	$294,600
57	Deferral of income from installment sales	$1,480	$1,470	$1,460	$1,510	$1,550	$1,610	$1,670	$1,730	$1,800	$1,870	$1,950	$16,620
58	Capital gains exclusion on home sales	$39,450	$40,610	$41,800	$43,030	$44,730	$46,340	$51,480	$55,060	$57,070	$59,170	$61,370	$500,660
59	Exclusion of net imputed rental income	$123,210	$130,590	$139,290	$148,090	$153,210	$154,180	$176,960	$189,390	$183,950	$187,880	$191,440	$1,645,980
60	Exception from passive loss rules for $25,000 of rental loss	$5,700	$5,540	$5,870	$6,210	$6,460	$6,860	$7,490	$7,600	$7,700	$7,770	$7,850	$69,350
61	Credit for low-income housing investments	$6,310	$8,900	$11,280	$10,540	$10,390	$10,360	$10,430	$10,710	$10,980	$11,270	$11,570	$106,430
62	Accelerated depreciation on rental housing (normal tax method)	$4,250	$4,660	$4,900	$5,060	$5,300	$5,510	$6,250	$6,740	$6,890	$7,040	$7,200	$59,550
	Commerce:												
63	Discharge of business indebtedness	$40	$30	$40	$20	$20	$10	$30	$30	$30	$30	$40	$280
64	Exceptions from imputed interest rules	$60	$60	$70	$70	$70	$80	$80	$90	$90	$100	$100	$810
65	Treatment of qualified dividends	$29,450	$30,760	$32,130	$33,560	$34,710	$36,250	$39,120	$42,250	$44,290	$46,140	$48,030	$387,240
66	Capital gains (except agriculture, timber, iron ore, and coal)	$99,210	$99,890	$101,950	$105,290	$109,710	$114,910	$128,090	$141,870	$148,780	$156,060	$163,700	$1,270,250
67	Capital gains exclusion of small corporation stock	$1,410	$1,530	$1,640	$1,750	$1,850	$1,930	$2,000	$2,080	$2,160	$2,250	$2,350	$19,540
68	Step-up basis of capital gains at death	$35,460	$37,780	$40,260	$42,910	$45,510	$48,050	$50,350	$54,840	$58,340	$61,790	$65,620	$505,450
69	Carryover basis of capital gains on gifts	$2,610	$3,050	$3,560	$3,820	$4,070	$4,090	$4,750	$5,430	$5,270	$5,210	$5,300	$44,550
70	Ordinary income treatment of loss from small business corporation stock sale	$70	$70	$70	$70	$80	$80	$80	$80	$90	$90	$90	$800
71	Deferral of gains from like-kind exchanges	$3,030	$3,200	$3,350	$3,520	$3,690	$3,870	$4,070	$4,260	$4,480	$4,710	$4,940	$40,090
72	Depreciation of buildings other than rental housing (normal tax method)	$6,010	$4,090	$3,990	$3,660	$3,350	$3,120	$3,130	$2,940	$2,830	$2,940	$3,060	$33,110
73	Accelerated depreciation of machinery and equipment (normal tax method)	$32,800	$31,320	$26,390	$12,170	-$2,370	-$14,870	-$26,700	-$38,830	-$30,520	-$16,000	-$7,310	-$66,720
74	Expensing of certain small investments (normal tax method)	-$300	-$1,630	-$830	$3,710	$7,660	$10,170	$13,700	$17,220	$15,710	$12,860	$11,400	$89,970
75	Exclusion of interest on small issue bonds	$80	$90	$90	$90	$90	$90	$100	$110	$110	$120	$120	$1,010
76	Special rules for certain film and TV production	-$190	-$50	$0	$100	$200	$260	-$420	-$570	-$270	-$130	-$50	-$930
77	Allow 20-percent deduction to certain pass-through income	$29,195	$50,518	$52,668	$54,406	$56,904	$60,728	$25,001	$0	$0	$0	$0	$300,225
Transportation:													
78	Tonnage tax	$140	$140	$140	$140	$140	$140	$140	$140	$140	$140	$140	$1,400
79	Deferral of tax on shipping companies	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
80	Exclusion of reimbursed employee parking expenses	$1,686	$1,759	$1,861	$2,006	$2,063	$2,130	$2,238	$2,343	$2,448	$2,565	$2,740	$22,153
81	Exclusion for employer-provided transit passes	$341	$363	$397	$442	$463	$487	$530	$565	$609	$653	$741	$5,250
82	Tax credit for certain expenditures for maintaining railroad tracks	$140	$170	$170	$130	$80	$60	$40	$30	$30	$20	$10	$740
83	Exclusion of interest on bonds for Highway Projects and rail-truck transfer facilities	$170	$160	$160	$140	$140	$130	$130	$120	$110	$110	$100	$1,300
Community and regional development:													
84	Investment credit for rehabilitation of structures (other than historic)	$10	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
85	Exclusion of interest for airport, dock, and similar bonds	$720	$850	$930	$910	$920	$930	$990	$1,030	$1,060	$1,120	$1,120	$9,860
86	Exemption of certain mutuals' and cooperatives' income	$90	$90	$100	$100	$100	$100	$100	$110	$110	$110	$110	$1,030
87	Empowerment zones	$160	$130	$90	$100	$110	$110	$90	$60	$40	$20	$20	$770
88	New markets tax credit	$1,280	$1,290	$1,320	$1,280	$1,170	$1,110	$1,130	$1,100	$970	$780	$560	$10,710
89	Credit to holders of Gulf Tax Credit Bonds.	$100	$110	$120	$100	$90	$90	$80	$80	$70	$70	$60	$870
90	Recovery Zone Bonds 6/	$90	$90	$100	$90	$80	$80	$80	$70	$60	$60	$50	$760
91	Tribal Economic Development Bonds	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
92	Opportunity Zones	$3,770	$2,680	$2,850	$1,960	$2,000	$1,920	-$6,080	-$9,170	$540	$730	$900	-$1,670
93	Employee retention credit	$230	$160	$140	$90	$60	$60	$50	$40	$40	$30	$30	$700
Education, training, employment, and social services:													
	Education:												
94	Exclusion of scholarship and fellowship income (normal tax method)	$3,510	$3,660	$3,910	$4,180	$4,440	$4,710	$5,270	$6,140	$6,500	$6,870	$7,280	$52,960
95	Tax credits and deductions for postsecondary education expenses 7/	$10,730	$10,070	$14,140	$14,450	$14,450	$14,310	$14,180	$14,350	$14,130	$13,930	$13,710	$137,720
96	Deductibility of student-loan interest	$2,170	$2,030	$2,150	$2,230	$2,250	$2,340	$2,380	$2,820	$2,970	$2,960	$3,040	$25,170
97	Qualified tuition programs (includes Education IRA)	$2,420	$2,670	$2,950	$3,280	$3,680	$4,160	$5,130	$6,160	$7,320	$8,630	$10,840	$55,020
98	Exclusion of interest on student-loan bonds	$140	$160	$180	$180	$180	$180	$190	$200	$200	$220	$220	$1,910
99	Exclusion of interest on bonds for private nonprofit educational facilities	$1,910	$2,280	$2,480	$2,430	$2,440	$2,480	$2,610	$2,740	$2,810	$2,970	$2,970	$26,210
100	Credit for holders of zone academy bonds 8/	$150	$130	$110	$90	$80	$60	$50	$50	$40	$40	$40	$690
101	Exclusion of interest on savings bonds redeemed to finance educational expenses	$30	$40	$40	$40	$40	$40	$50	$50	$50	$50	$50	$450
102	Parental personal exemption for students age 19 or over	$0	$0	$0	$0	$0	$0	$3,570	$5,270	$5,180	$5,090	$5,000	$24,110
103	Deductibility of charitable contributions (education)	$4,530	$4,880	$5,190	$5,510	$5,820	$6,130	$7,290	$9,370	$9,800	$10,260	$10,430	$74,680
104	Exclusion of employer-provided educational assistance	$1,190	$1,390	$1,500	$1,620	$1,730	$1,850	$1,640	$1,560	$1,640	$1,720	$1,800	$16,450
105	Special deduction for teacher expenses	$170	$170	$170	$170	$170	$170	$180	$210	$210	$210	$220	$1,880
106	Discharge of student loan indebtedness	$80	$80	$90	$100	$110	$120	$150	$170	$190	$220	$240	$1,470
107	Qualified school construction bonds 9/	$570	$540	$520	$490	$470	$440	$410	$390	$360	$330	$320	$4,270
	Training, employment, and social services:												
108	Work opportunity tax credit	$1,650	$1,690	$1,780	$1,830	$1,890	$1,950	$1,300	$530	$370	$280	$200	$11,820
109	Employer provided child care exclusion	$580	$570	$570	$610	$650	$690	$920	$1,060	$1,120	$1,190	$1,260	$8,640
110	Employer-provided child care credit	$20	$20	$20	$20	$20	$20	$20	$20	$20	$30	$30	$220
111	Assistance for adopted foster children	$620	$660	$700	$750	$800	$850	$900	$960	$1,020	$1,080	$1,150	$8,870
112	Adoption credit and exclusion	$770	$790	$850	$870	$900	$920	$930	$940	$950	$960	$970	$9,080
113	Exclusion of employee meals and lodging (other than military)	$3,290	$4,320	$6,430	$6,100	$5,610	$5,900	$6,940	$7,530	$7,750	$8,030	$8,360	$66,970
114	Credit for child and dependent care expenses	$3,190	$3,080	$3,300	$3,440	$3,530	$3,580	$3,700	$3,880	$3,970	$4,060	$4,160	$36,700
115	Credit for disabled access expenditures	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
116	Deductibility of charitable contributions, other than education and health	$40,320	$43,610	$46,410	$49,220	$52,050	$54,810	$66,080	$86,500	$90,570	$94,830	$99,300	$683,380
117	Exclusion of certain foster care payments	$490	$510	$510	$520	$530	$540	$540	$540	$540	$560	$580	$5,370
118	Exclusion of parsonage allowances	$900	$950	$1,000	$1,050	$1,110	$1,170	$1,230	$1,300	$1,370	$1,440	$1,510	$12,130
119	Indian employment credit	$70	$70	$50	$30	$30	$30	$20	$20	$20	$10	$10	$290
120	Credit for employer differential wage payments	$0	$0	$0	$0	$0	$0	$10	$10	$10	$20	$20	$70
Health:													
121	Exclusion of employer contributions for medical insurance premiums and medical care 10/	$191,350	$197,530	$211,550	$224,320	$235,050	$248,420	$290,960	$322,500	$340,250	$358,670	$377,880	$2,807,130
122	Self-employed medical insurance premiums	$7,430	$7,740	$8,150	$8,720	$9,290	$9,930	$11,330	$12,450	$13,140	$13,820	$14,550	$109,120
123	Medical Savings Accounts / Health Savings Accounts	$5,330	$4,540	$4,680	$4,890	$5,080	$5,260	$5,970	$6,440	$6,660	$6,890	$7,130	$57,540
124	Deductibility of medical expenses	$7,100	$7,960	$8,480	$9,250	$10,050	$10,900	$16,800	$20,970	$22,760	$24,630	$26,610	$158,410
125	Exclusion of interest on hospital construction bonds	$2,730	$3,250	$3,540	$3,470	$3,480	$3,540	$3,740	$3,920	$4,010	$4,260	$4,250	$37,460
126	Refundable Premium Assistance Tax Credit 11/	$7,960	$6,220	$6,180	$6,380	$6,670	$6,590	$7,520	$7,710	$8,060	$8,390	$8,800	$72,520
127	Credit for employee health insurance expenses of small business 12/	$40	$40	$30	$10	$10	$0	$0	$0	$0	$0	$0	$90
128	Deductibility of charitable contributions (health)	$8,230	$8,820	$9,350	$9,870	$10,400	$10,910	$12,390	$14,870	$15,560	$16,260	$16,990	$125,420
129	Tax credit for orphan drug research	$1,720	$2,080	$2,500	$3,010	$3,620	$4,380	$5,270	$6,360	$7,660	$9,240	$11,140	$55,260
130	Special Blue Cross/Blue Shield tax benefits	$140	$190	$250	$280	$300	$320	$340	$360	$380	$410	$440	$3,270
131	Tax credit for health insurance purchased by certain displaced and retired individuals 13/	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
132	Distributions from retirement plans for premiums for health and long-term care insurance	$430	$450	$460	$470	$490	$500	$590	$630	$650	$660	$670	$5,570
133	Credit for family and sick leave taken by self-employed individuals 14/	$500	$590	$90	$0	$0	$0	$0	$0	$0	$0	$0	$680
Income security:													
134	Child credit 15/	$70,170	$73,320	$74,420	$76,760	$77,170	$77,690	$55,090	$21,160	$20,960	$20,780	$20,570	$517,920
135	Exclusion of railroad retirement (Social Security equivalent) benefits	$310	$290	$270	$250	$240	$220	$220	$210	$180	$160	$140	$2,180
136	Exclusion of workers' compensation benefits	$9,160	$9,200	$9,250	$9,290	$9,330	$9,370	$9,420	$9,460	$9,500	$9,550	$9,590	$93,960
137	Exclusion of public assistance benefits (normal tax method)	$580	$600	$620	$640	$670	$680	$690	$710	$720	$720	$710	$6,760
138	Exclusion of special benefits for disabled coal miners	$20	$30	$20	$20	$20	$20	$20	$20	$10	$10	$10	$180
139	Exclusion of military disability pensions	$160	$160	$170	$170	$170	$180	$200	$210	$220	$220	$220	$1,920
	Net exclusion of pension contributions and earnings:												
140	Defined benefit employer plans	$65,920	$67,960	$70,030	$71,000	$73,290	$74,470	$82,290	$82,660	$83,330	$80,490	$77,360	$762,880
141	Defined contribution employer plans	$80,690	$87,610	$93,380	$98,720	$101,970	$106,200	$126,010	$130,550	$135,700	$141,480	$147,230	$1,168,850
142	Individual Retirement Accounts	$16,510	$17,360	$17,880	$18,940	$20,000	$20,660	$24,770	$26,070	$27,510	$28,820	$30,330	$232,340
143	Low and moderate income savers credit	$1,220	$1,220	$1,260	$1,300	$1,270	$1,270	$1,440	$1,410	$1,400	$1,400	$1,390	$13,360
144	Self-Employed plans	$25,680	$28,260	$30,120	$31,840	$32,890	$34,260	$40,650	$42,110	$43,770	$45,640	$47,490	$377,030
	Exclusion of other employee benefits:												
145	Premiums on group term life insurance	$2,160	$2,990	$3,160	$3,300	$3,420	$3,530	$4,030	$4,290	$4,430	$4,570	$4,720	$38,440
146	Premiums on accident and disability insurance	$330	$340	$340	$340	$350	$350	$350	$350	$350	$350	$350	$3,470
147	Income of trusts to finance supplementary unemployment benefits	$20	$10	$20	$20	$30	$30	$40	$50	$50	$60	$60	$370
148	Income of trusts to finance voluntary employee benefits associations	$1,090	$1,070	$1,120	$1,170	$1,230	$1,300	$1,440	$1,510	$1,590	$1,680	$1,760	$13,870
149	Special ESOP rules	$210	$210	$220	$220	$220	$230	$230	$240	$240	$260	$260	$2,330
150	Additional deduction for the blind	$30	$40	$40	$40	$40	$40	$40	$50	$50	$50	$50	$440
151	Additional deduction for the elderly	$5,680	$5,810	$5,950	$8,390	$6,630	$7,150	$6,060	$6,540	$6,960	$7,320	$7,830	$68,640
152	Deductibility of casualty losses	$0	$0	$0	$0	$0	$0	$623	$959	$993	$1,019	$1,048	$4,641
153	Earned income tax credit 16/	$2,660	$700	$700	$800	$850	$900	$940	$2,410	$2,530	$2,670	$2,800	$15,300
154	Recovery rebate credits 17/	$0	$9,110	$1,012	$0	$0	$0	$0	$0	$0	$0	$0	$10,122
Social Security:													
	Exclusion of social security benefits:												
155	Social Security benefits for retired and disabled workers and spouses, dependents and survivors	$27,050	$27,180	$27,970	$30,300	$31,180	$31,520	$35,890	$41,750	$43,880	$46,290	$48,940	$364,900
156	Credit for certain employer contributions to social security	$720	$990	$1,360	$1,490	$1,590	$1,690	$1,790	$1,890	$1,990	$2,090	$2,190	$17,070
Veterans benefits and services:													
157	Exclusion of veterans death benefits and disability compensation	$8,230	$9,210	$9,520	$9,870	$10,220	$10,590	$11,450	$12,990	$13,480	$13,980	$14,510	$115,820
158	Exclusion of veterans pensions	$210	$220	$220	$220	$220	$220	$230	$250	$250	$260	$260	$2,350
159	Exclusion of GI bill benefits	$1,460	$1,580	$1,590	$1,650	$1,720	$1,780	$1,930	$2,200	$2,290	$2,380	$2,480	$19,600
160	Exclusion of interest on veterans housing bonds	$70	$80	$80	$90	$80	$90	$90	$100	$100	$100	$110	$920
General purpose fiscal assistance:													
161	Exclusion of interest on public purpose State and local bonds	$24,310	$28,980	$31,500	$30,920	$31,020	$31,500	$33,290	$34,950	$35,730	$37,890	$37,830	$333,610
162	Build America Bonds 18/	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
163	Deductibility of nonbusiness State and local taxes other than on owner-occupied homes 19/	$7,060	$6,890	$6,990	$7,140	$7,330	$7,520	$76,740	$107,610	$108,740	$113,500	$118,550	$561,020
Interest:													
164	Deferral of interest on U.S. savings bonds	$910	$840	$830	$820	$810	$800	$800	$790	$780	$770	$760	$8,000
Addendum: Aid to State and local governments:													
	Deductibility of:												
	Property taxes on owner-occupied homes	$6,450	$6,370	$6,450	$6,620	$6,860	$7,130	$35,890	$52,340	$55,090	$57,590	$60,260	$294,600
	Nonbusiness State and local taxes other than on owner-occupied homes	$7,060	$6,890	$6,990	$7,140	$7,330	$7,520	$76,740	$107,610	$108,740	$113,500	$118,550	$561,020
	Exclusion of interest on State and local bonds for:												
	Public purposes	$24,310	$28,980	$31,500	$30,920	$31,020	$31,500	$33,290	$34,950	$35,730	$37,890	$37,830	$333,610
	Energy facilities	$0	$10	$10	$10	$10	$10	$10	$10	$10	$10	$10	$100
	Water, sewage, and hazardous waste disposal facilities	$270	$330	$350	$350	$350	$360	$370	$390	$400	$430	$420	$3,750
	Small-issues	$80	$90	$90	$90	$90	$90	$100	$110	$110	$120	$120	$1,010
	Owner-occupied mortgage subsidies	$710	$850	$920	$900	$910	$920	$980	$1,020	$1,050	$1,110	$1,100	$9,760
	Rental housing	$1,200	$1,430	$1,550	$1,530	$1,530	$1,560	$1,640	$1,720	$1,770	$1,870	$1,870	$16,470
	Airports, docks, and similar facilities	$720	$850	$930	$910	$920	$930	$990	$1,030	$1,060	$1,120	$1,120	$9,860
	Student loans	$140	$160	$180	$180	$180	$180	$190	$200	$200	$220	$220	$1,910
	Private nonprofit educational facilities	$1,910	$2,280	$2,480	$2,430	$2,440	$2,480	$2,610	$2,740	$2,810	$2,970	$2,970	$26,210
	Hospital construction	$2,730	$3,250	$3,540	$3,470	$3,480	$3,540	$3,740	$3,920	$4,010	$4,260	$4,250	$37,460
	Veterans' housing	$70	$80	$80	$90	$80	$90	$90	$100	$100	$100	$110	$920

Notes:

1/ Firms can take an energy grant in lieu of the energy production credit or the energy investment credit for facilities whose construction began in 2009, 2010, or 2011. The effect of the grant on outlays (in millions of dollars) is as follows: $0 in 2019 and thereafter.

2/ The alternative fuel mixture credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2020 $550; 2021 $1,020; 2022 $330 and $0 thereafter.

3/ In addition, the biodiesel producer tax credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2020 $5,090; 2021 $3,000; 2022 $2,720; 2023 $1,340 and $0 thereafter.

4/ In addition, the credit for holding clean renewable energy bonds has outlay effects of (in millions of dollars):
2020 $30; 2021 $40; 2022 $40; 2023 $40; 2024 $40; 2025 $40; 2026, $40; 2027 $40; 2028 $40; 2029 $40, and 2030 $40.

5/ In addition, the qualified energy conservation bonds have outlay effects of (in millions of dollars):
2020 $30; 2021 $40; 2022 $40; 2023 $40; 2024 $40; 2025 $40; 2026, $40; 2027 $40; 2028 $40; 2029 $40, and 2030 $40.

6/ In addition, recovery zone bonds have outlay effects (in millions of dollars) as follows:

2/4/2020

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES FOR FISCAL YEARS 2019-2029

(in millions of dollars)

		Total from corporations and individuals											
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-29
National Defense													
1	Exclusion of benefits and allowances to armed forces personnel	12,460	12,910	11,660	11,700	12,080	12,560	13,090	13,660	14,270	14,910	15,600	132,440
International affairs:													
2	Exclusion of income earned abroad by U.S. citizens	6,930	7,280	7,640	8,020	8,420	8,840	9,290	9,750	10,240	10,750	11,290	91,520
3	Exclusion of certain allowances for Federal employees abroad	240	250	260	280	290	300	320	330	350	370	390	3,140
4	Inventory property sales source rules exception	0	0	0	0	0	0	0	0	0	0	0	0
5	Reduced tax rate on active income of controlled foreign corporations (normal tax method)	35,470	40,000	42,980	44,660	35,220	21,760	10,720	46,840	75,840	79,250	82,810	480,080
6	Deduction for foreign-derived intangible income dervied from trade or business within the United States	7,530	8,100	9,880	11,150	11,610	12,130	12,670	9,240	7,000	7,340	7,700	96,820
7	Interest Charge Domestic International Sales Corporations (IC-DISCs)	1,280	1,340	1,410	1,480	1,560	1,630	1,720	1,800	1,890	1,990	2,090	16,910
General science, space, and technology:													
8	Expensing of research and experimentation expenditures (normal tax method)	5,520	5,740	6,330	-19,090	-34,990	-25,630	-15,640	-4,940	0	0	0	-88,220
9	Credit for increasing research activities	15,300	16,810	18,380	19,890	21,370	22,900	24,450	26,040	27,650	29,310	31,030	237,830
Energy:													
10	Expensing of exploration and development costs, fuels	930	1,060	890	630	500	510	600	740	790	730	640	7,090
11	Excess of percentage over cost depletion, fuels	670	760	820	870	920	980	1,050	1,180	1,280	1,350	1,400	10,610
12	Exception from passive loss limitation for working interests in oil and gas properties	10	10	10	10	10	10	10	10	10	10	10	100
13	Capital gains treatment of royalties on coal	150	140	140	140	140	150	160	170	190	200	210	1,640
14	Exclusion of interest on energy facility bonds	10	10	10	10	10	10	10	10	10	10	10	100
15	Enhanced oil recovery credit	510	440	320	270	330	430	560	650	650	630	630	4,910
16	Energy production credit 1/	4,230	4,310	4,290	4,250	4,200	4,070	3,920	3,290	2,590	1,760	1,070	33,750
17	Marginal wells credit	110	80	100	100	80	40	10	0	0	0	0	410
18	Energy investment credit 1/	3,710	4,510	4,820	4,490	3,700	2,690	2,010	1,540	1,220	1,020	920	26,920
19	Alcohol fuel credits 2/	0	0	0	0	0	0	0	0	0	0	0	0
20	Bio-Diesel and small agri-biodiesel producer tax credits 3/	0	0	0	0	0	0	0	0	0	0	0	0
21	Tax credits for clean-fuel burning vehicles and refueling property	940	580	380	380	380	310	220	200	200	190	140	2,980
22	Exclusion of utility conservation subsidies	450	470	490	510	540	570	590	620	650	680	710	5,830
23	Credit for holding clean renewable energy bonds 4/	70	70	70	70	70	70	70	70	70	70	70	700
24	Credit for investment in clean coal facilities	20	10	20	40	80	100	90	80	90	50	50	610
25	Natural gas distribution pipelines treated as 15-year property	70	70	50	30	-10	-50	-80	-120	-140	-140	-140	-530
26	Amortize all geological and geophysical expenditures over 2 years	230	250	260	270	290	310	310	350	370	380	380	3,170
27	Allowance of deduction for certain energy efficient commercial building property	10	0	0	0	0	0	0	0	0	0	0	0
28	Credit for construction of new energy efficient homes	50	10	10	0	0	0	0	0	0	0	0	20
29	Credit for residential energy efficient property	1,980	1,740	1,410	360	70	0	0	0	0	0	0	3,580
30	Qualified energy conservation bonds 5/	30	30	30	30	30	30	30	30	30	30	30	300
31	Advanced Energy Property Credit	10	10	10	10	10	10	10	10	10	10	10	100
32	Advanced nuclear power production credit	0	0	0	100	190	240	270	280	280	280	270	1,910
33	Reduced tax rate for nuclear decommissioning funds	100	100	110	110	120	120	130	130	140	150	150	1,260
Natural resources and environment:													
34	Expensing of exploration and development costs, nonfuel minerals	170	180	160	110	90	90	100	130	140	120	110	1,230
35	Excess of percentage over cost depletion, nonfuel minerals	120	130	140	160	160	170	190	210	220	240	240	1,860
36	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	300	320	310	320	340	340	350	380	380	390	390	3,520
37	Capital gains treatment of certain timber income	150	140	140	140	140	150	160	170	190	200	210	1,640
38	Expensing of multiperiod timber growing costs	40	40	60	60	70	70	70	80	90	90	90	720
39	Tax incentives for preservation of historic structures	830	730	690	680	790	970	1,100	1,200	1,250	1,270	1,300	9,980
40	Carbon oxide sequestration credit	70	90	120	140	170	220	270	310	320	340	350	2,330
41	Deduction for endangered species recovery expenditures	30	30	30	30	30	40	40	40	60	60	60	420
Agriculture:													
42	Expensing of certain capital outlays	40	90	110	130	140	140	150	180	200	210	220	1,570
43	Expensing of certain multiperiod production costs	250	270	280	290	310	320	340	420	460	480	490	3,660
44	Treatment of loans forgiven for solvent farmers	50	50	50	60	60	60	70	70	70	70	70	630
45	Capital gains treatment of certain agriculture income	1,490	1,410	1,390	1,400	1,440	1,490	1,560	1,730	1,920	2,010	2,100	16,450
46	Income averaging for farmers	170	180	190	190	200	210	220	230	230	230	230	2,110
47	Deferral of gain on sale of farm refiners	15	15	15	15	15	20	20	20	20	20	25	185
48	Expensing of reforestation expenditures	40	40	60	60	70	70	70	80	90	90	90	720
Commerce and housing:													
	Financial institutions and insurance:												
49	Exemption of credit union income	1,911	1,764	1,587	1,756	1,935	2,019	2,191	2,494	2,661	2,761	2,710	21,878
50	Exclusion of life insurance death benefits	13,210	13,760	14,340	14,870	15,470	16,090	16,680	17,550	18,590	19,200	19,690	166,240
51	Exemption or special alternative tax for small property and casualty insurance companies	110	120	130	130	140	140	150	160	160	170	170	1,470
52	Tax exemption of insurance income earned by tax-exempt organizations	330	330	340	350	360	380	390	400	410	420	430	3,810
53	Exclusion of interest spread of financial institutions	2,190	1,120	1,160	1,200	1,240	1,280	1,330	1,400	1,470	1,510	1,560	13,270
	Housing:												
54	Exclusion of interest on owner-occupied mortgage subsidy bonds	790	840	840	860	910	940	950	1,020	1,050	1,050	1,060	9,520
55	Exclusion of interest on rental housing bonds	1,030	1,090	1,080	1,110	1,180	1,210	1,210	1,310	1,360	1,360	1,370	12,280
56	Deductibility of mortgage interest on owner-occupied homes	25,130	27,090	29,580	32,290	34,960	37,510	40,110	85,520	112,580	119,280	125,820	644,740
57	Deductibility of State and local property tax on owner-occupied homes 17/	6,010	6,270	6,650	7,030	7,400	7,740	8,090	39,930	58,030	61,630	65,340	268,110
58	Deferral of income from installment sales	1,460	1,480	1,520	1,560	1,620	1,700	1,780	1,860	1,960	2,050	2,150	17,680
59	Capital gains exclusion on home sales	43,610	45,750	48,040	50,330	52,670	55,090	57,650	64,840	70,000	73,110	76,230	593,710
60	Exclusion of net imputed rental income	121,320	125,990	130,430	134,570	138,710	142,840	147,500	189,930	200,620	211,550	212,650	1,634,790
61	Exception from passive loss rules for $25,000 of rental loss	6,070	6,430	6,780	7,110	7,470	7,860	8,500	9,410	9,780	10,140	10,490	83,970
62	Credit for low-income housing investments	8,760	9,110	9,360	9,580	9,790	10,010	10,240	10,520	10,800	11,100	11,390	101,900
63	Accelerated depreciation on rental housing (normal tax method)	8,000	8,370	8,800	9,290	9,870	10,550	11,310	14,300	16,500	17,650	18,800	125,440
	Commerce:												
64	Discharge of business indebtedness	10	40	40	30	20	20	20	40	50	50	50	360
65	Exceptions from imputed interest rules	50	60	60	70	70	70	80	90	100	110	120	830
66	Treatment of qualified dividends	31,100	31,530	32,410	33,700	35,470	37,640	40,160	45,540	51,160	54,430	57,970	420,010
67	Capital gains (except agriculture, timber, iron ore, and coal)	111,470	104,920	103,790	104,580	107,170	111,200	116,250	129,410	143,110	149,840	157,060	1,227,330
68	Capital gains exclusion of small corporation stock	1,240	1,410	1,530	1,640	1,750	1,850	1,930	2,000	2,080	2,160	2,250	18,600
69	Step-up basis of capital gains at death	49,980	51,750	53,640	56,200	59,130	62,650	66,360	70,340	74,740	79,640	84,860	659,310
70	Carryover basis of capital gains on gifts	3,650	3,150	3,010	2,940	2,870	2,830	2,780	2,770	2,600	2,460	2,480	27,890
71	Ordinary income treatment of loss from small business corporation stock sale	70	70	70	70	70	80	80	80	80	90	90	780
72	Deferral of gains from like-kind exchanges	2,850	2,980	3,140	3,290	3,460	3,630	3,810	4,000	4,190	4,400	19,530	52,430
73	Depreciation of buildings other than rental housing (normal tax method)	-1,510	-1,870	-2,340	-2,890	-3,460	-4,040	-4,510	-5,570	-6,450	-7,080	-7,760	-45,970
74	Accelerated depreciation of machinery and equipment (normal tax method)	49,280	43,460	40,610	38,030	22,830	4,660	-9,700	-24,360	-40,690	-32,810	-16,970	25,060
75	Expensing of certain small investments (normal tax method)	-1,950	-710	-10	440	3,200	6,540	9,370	14,490	18,870	18,080	16,130	86,400
76	Exclusion of interest on small issue bonds	100	110	110	120	120	130	130	130	140	140	140	1,270
77	Special rules for certain film and TV production	30	10	0	0	0	0	0	0	0	0	0	10
78	Allow 20-percent deduction to certain pass-through income	34,923	53,132	54,698	56,499	59,037	62,065	65,730	22,119	0	0	0	373,280
Transportation:													
79	Tonnage tax	80	90	90	90	100	100	110	110	120	130	130	1,070
80	Deferral of tax on shipping companies	10	10	10	10	10	10	10	10	10	10	10	100
81	Exclusion of reimbursed employee parking expenses	2,250	2,270	2,400	2,510	2,560	2,610	2,700	2,780	2,860	2,940	3,020	26,650
82	Exclusion for employer-provided transit passes	380	380	420	440	450	480	510	540	570	600	640	5,030
83	Tax credit for certain expenditures for maintaining railroad tracks	40	30	20	20	10	10	0	0	0	0	0	90
84	Exclusion of interest on bonds for Highway Projects and rail-truck transfer facilities	170	170	160	160	140	140	130	130	120	110	110	1,370
Community and regional development:													
85	Investment credit for rehabilitation of structures (other than historic)	10	10	0	0	0	0	0	0	0	0	0	10
86	Exclusion of interest for airport, dock, and similar bonds	610	650	640	660	700	720	720	780	800	810	810	7,290
87	Exemption of certain mutuals' and cooperatives' income	90	90	100	100	100	100	110	110	110	110	120	1,050
88	Empowerment zones	60	40	20	10	10	10	10	10	10	10	0	130
89	New markets tax credit	1,320	1,280	1,210	1,090	880	570	290	80	-120	-250	-300	4,730
90	Credit to holders of Gulf Tax Credit Bonds.	150	150	140	140	140	130	120	120	110	90	80	1,220
91	Recovery Zone Bonds 6/	90	90	80	80	80	70	60	70	60	50	50	690
92	Tribal Economic Development Bonds	10	10	10	10	10	10	10	10	10	10	10	100
93	Opportunity Zones	2,720	3,620	2,650	2,450	1,870	1,920	1,780	-5,850	-8,700	520	700	960
94	Employee retention credit	350	70	50	50	40	40	30	30	30	10	10	360
Education, training, employment, and social services:													
	Education:												
95	Exclusion of scholarship and fellowship income (normal tax method)	3,040	3,220	3,390	3,580	3,800	4,020	4,260	4,780	5,550	5,860	6,180	44,640
96	Tax credits and deductions for postsecondary education expenses 7/	17,380	16,390	16,310	16,290	16,340	16,280	16,230	16,270	17,000	16,950	16,930	164,990
97	Education Individual Retirement Accounts	40	40	40	40	40	40	40	40	40	40	40	400
98	Deductibility of student-loan interest	1,920	2,040	2,060	2,100	2,130	2,250	2,300	2,330	2,950	2,960	3,020	24,140
99	Qualified tuition programs	2,200	2,410	2,650	2,920	3,240	3,640	4,130	5,070	6,080	7,230	8,750	46,120
100	Exclusion of interest on student-loan bonds	190	200	200	200	220	220	220	240	260	250	250	2,260
101	Exclusion of interest on bonds for private nonprofit educational facilities	1,850	1,950	1,940	1,990	2,120	2,170	2,180	2,350	2,430	2,440	2,450	22,020
102	Credit for holders of zone academy bonds 8/	170	150	130	110	90	80	60	50	50	40	40	800
103	Exclusion of interest on savings bonds redeemed to finance educational expenses	30	30	40	40	40	40	40	50	50	50	50	430
104	Parental personal exemption for students age 19 or over	0	0	0	0	0	0	0	5,630	8,520	8,690	8,930	31,770
105	Deductibility of charitable contributions (education)	4,140	4,450	4,790	5,100	5,410	5,720	6,020	7,160	9,200	9,620	10,070	67,540
106	Exclusion of employer-provided educational assistance	880	930	980	1,040	1,090	1,150	1,210	1,420	1,560	1,630	1,710	12,720
107	Special deduction for teacher expenses	180	180	180	190	180	180	180	190	220	220	220	1,940
108	Discharge of student loan indebtedness	80	90	90	100	100	110	120	130	150	160	170	1,220
109	Qualified school construction bonds 9/	600	570	540	520	490	470	440	410	390	360	330	4,520
	Training, employment, and social services:												
110	Work opportunity tax credit	1,760	1,280	560	340	250	190	150	110	90	60	50	3,080
111	Employer provided child care exclusion	570	610	660	710	770	830	900	1,230	1,430	1,510	1,590	10,240
112	Employer-provided child care credit	20	20	20	20	20	20	20	20	20	20	30	210
113	Assistance for adopted foster children	590	620	660	700	750	800	850	900	960	1,020	1,080	8,340
114	Adoption credit and exclusion	700	770	790	830	860	880	900	910	920	930	940	8,730
115	Exclusion of employee meals and lodging (other than military)	5,100	5,240	5,420	5,620	5,830	6,070	6,450	7,580	8,270	8,620	9,010	68,110
116	Credit for child and dependent care expenses	4,260	4,360	4,440	4,540	4,690	4,780	4,890	5,100	5,320	5,390	5,400	48,910
117	Credit for disabled access expenditures	10	10	10	10	10	10	10	10	10	10	10	100
118	Deductibility of charitable contributions, other than education and health	36,660	39,540	42,760	45,510	48,270	51,040	53,750	64,790	84,810	88,800	92,980	612,250
119	Exclusion of certain foster care payments	480	490	510	510	520	530	540	540	540	540	560	5,280
120	Exclusion of parsonage allowances	870	920	970	1,020	1,080	1,130	1,190	1,260	1,320	1,390	1,470	11,750
121	Indian employment credit	30	20	20	20	20	10	10	10	10	10	10	140
122	Credit for employer differential wage payments	0	10	10	10	10	10	10	20	20	20	20	140
Health:													
123	Exclusion of employer contributions for medical insurance premiums and medical care 10/	202,290	214,420	227,880	242,230	258,730	276,820	295,050	348,700	389,240	413,090	438,240	3,104,400
124	Self-employed medical insurance premiums	7,050	7,320	7,780	8,320	8,870	9,420	10,120	11,730	13,080	13,900	14,670	105,210
125	Medical Savings Accounts / Health Savings Accounts	7,880	8,510	9,110	9,800	10,380	10,900	11,410	12,970	14,100	14,680	15,350	117,210
126	Deductibility of medical expenses	6,500	6,640	7,310	8,140	9,050	10,030	11,090	17,270	21,690	23,780	25,990	140,990
127	Exclusion of interest on hospital construction bonds	2,660	2,820	2,790	2,870	3,060	3,120	3,150	3,390	3,500	3,520	3,540	31,760
128	Refundable Premium Assistance Tax Credit 11/	7,040	3,910	4,110	3,690	3,590	3,370	3,740	4,810	5,380	5,660	5,980	44,240
129	Credit for employee health insurance expenses of small business 12/	70	50	40	30	10	10	10	0	0	0	0	150
130	Deductibility of charitable contributions (health)	7,540	8,080	8,650	9,180	9,690	10,200	10,710	12,150	14,590	15,260	15,950	114,460
131	Tax credit for orphan drug research	1,550	1,870	2,280	2,770	3,370	4,090	4,970	6,040	7,340	8,920	10,860	52,510
132	Special Blue Cross/Blue Shield tax benefits	200	230	260	300	330	370	400	430	470	510	550	3,850
133	Tax credit for health insurance purchased by certain displaced and retired individuals 13/	10	0	0	0	0	0	0	0	0	0	0	0
134	Distributions from retirement plans for premiums for health and long-term care insurance	420	430	450	460	470	490	500	590	630	650	660	5,330
Income security:													
135	Child credit 14/	74,880	75,770	76,530	77,100	77,740	78,300	78,990	55,850	20,650	20,450	20,240	581,620
136	Exclusion of railroad retirement (Social Security equivalent) benefits	230	220	210	200	190	180	170	170	180	180	170	1,870
137	Exclusion of workers' compensation benefits	9,680	9,770	9,870	9,970	10,070	10,170	10,270	10,370	10,470	10,570	10,680	102,210
138	Exclusion of public assistance benefits (normal tax method)	660	680	690	710	730	760	780	790	810	820	750	7,520
139	Exclusion of special benefits for disabled coal miners	20	20	20	10	10	10	10	10	10	10	10	120
140	Exclusion of military disability pensions	150	160	160	160	160	170	170	190	200	200	210	1,780
	Net exclusion of pension contributions and earnings:												
141	Defined benefit employer plans	71,653	73,831	75,807	78,012	79,560	80,979	81,129	83,516	84,065	85,124	86,795	808,818
142	Defined contribution employer plans	75,680	83,520	90,680	100,410	109,170	117,650	125,990	149,560	162,650	173,070	184,180	1,296,880
143	Individual Retirement Accounts	20,520	21,650	22,760	23,990	25,490	27,220	29,300	33,310	36,390	39,840	43,430	303,380
144	Low and moderate income savers credit	1,180	1,180	1,180	1,220	1,220	1,210	1,240	1,350	1,350	1,340	1,330	12,620
145	Self-Employed plans	24,150	26,580	29,250	32,070	34,900	38,560	42,770	50,570	62,750	69,180	75,380	462,010
	Exclusion of other employee benefits:												
146	Premiums on group term life insurance	2,960	3,080	3,200	3,320	3,450	3,580	3,710	4,210	4,480	4,640	4,790	38,460
147	Premiums on accident and disability insurance	330	330	340	340	340	350	350	350	350	350	350	3,450
148	Income of trusts to finance supplementary unemployment benefits	30	30	40	40	50	50	50	60	60	60	60	500
149	Income of trusts to finance voluntary employee benefits associations	990	1,060	1,130	1,210	1,280	1,360	1,440	1,610	1,700	1,800	1,900	14,490
150	Special ESOP rules	2,100	2,150	2,210	2,260	2,320	2,370	2,430	2,480	2,550	2,600	2,670	24,040
151	Additional deduction for the blind	40	40	40	40	40	50	50	50	60	60	70	500
152	Additional deduction for the elderly	4,990	5,290	5,680	6,150	6,490	6,910	7,340	6,950	7,030	7,480	8,010	67,330
153	Tax credit for the elderly and disabled	0	0	0	0	0	0	0	0	0	0	0	0
154	Deductibility of casualty losses	0	0	0	0	0	0	0	380	600	640	680	2,300
155	Earned income tax credit 15/	2,700	2,660	2,700	2,770	2,840	2,920	3,010	3,080	10,490	10,730	11,070	52,270
Social Security:													
	Exclusion of social security benefits:												
156	Social Security benefits for retired and disabled workers and spouses, dependents and survivors	29,100	30,900	32,490	33,990	35,640	36,330	36,430	41,480	48,460	50,590	52,670	398,980
157	Credit for certain employer contributions to social security	1,420	1,480	1,540	1,610	1,680	1,730	1,800	1,870	1,930	1,990	2,060	17,690
Veterans benefits and services:													
158	Exclusion of veterans death benefits and disability compensation	7,590	8,340	8,910	9,200	9,500	9,820	10,150	10,950	12,380	12,790	13,230	105,270
159	Exclusion of veterans pensions	240	240	250	250	260	260	260	280	310	320	320	2,750
160	Exclusion of GI bill benefits	1,460	1,530	1,590	1,650	1,720	1,780	1,850	2,010	2,290	2,370	2,470	19,260
161	Exclusion of interest on veterans housing bonds	50	60	50	50	50	50	50	60	60	60	60	550
General purpose fiscal assistance:													
162	Exclusion of interest on public purpose State and local bonds	23,210	24,580	24,340	25,010	26,710	27,270	27,480	29,560	30,560	30,710	30,840	277,060
163	Build America Bonds 16/	0	0	0	0	0	0	0	0	0	0	0	0
164	Deductibility of nonbusiness State and local taxes other than on owner-occupied homes 17/	4,430	7,110	7,510	7,920	8,310	8,660	8,990	78,340	117,330	124,170	131,130	499,470
Interest:													
165	Deferral of interest on U.S. savings bonds	850	840	840	830	820	810	800	790	840	860	880	8,310
Addendum: Aid to State and local governments:													
	Deductibility of:												
	Property taxes on owner-occupied homes	6,010	6,270	6,650	7,030	7,400	7,740	8,090	39,930	58,030	61,630	65,340	268,110
	Nonbusiness State and local taxes other than on owner-occupied homes	4,430	7,110	7,510	7,920	8,310	8,660	8,990	78,340	117,330	124,170	131,130	499,470
	Exclusion of interest on State and local bonds for:												
	Public purposes	23,210	24,580	24,340	25,010	26,710	27,270	27,480	29,560	30,560	30,710	30,840	277,060
	Energy facilities	10	10	10	10	10	10	10	10	10	10	10	100
	Water, sewage, and hazardous waste disposal facilities	300	320	310	320	340	340	350	380	380	390	390	3,520
	Small-issues	100	110	110	120	120	130	130	130	140	140	140	1,270
	Owner-occupied mortgage subsidies	790	840	840	860	910	940	950	1,020	1,050	1,050	1,060	9,520
	Rental housing	1,030	1,090	1,080	1,110	1,180	1,210	1,210	1,310	1,360	1,360	1,370	12,280
	Airports, docks, and similar facilities	610	650	640	660	700	720	720	780	800	810	810	7,290
	Student loans	190	200	200	200	220	220	220	240	260	250	250	2,260
	Private nonprofit educational facilities	1,850	1,950	1,940	1,990	2,120	2,170	2,180	2,350	2,430	2,440	2,450	22,020
	Hospital construction	2,660	2,820	2,790	2,870	3,060	3,120	3,150	3,390	3,500	3,520	3,540	31,760
	Veterans' housing	50	60	50	50	50	50	50	60	60	60	60	550

1/ Firms can take an energy grant in lieu of the energy production credit or the energy investment credit for facilities whose construction began in 2009, 2010, or 2011. The effect of the grant on outlays (in millions of dollars) is as follows: $0 in 2019 and thereafter.
2/ The alternative fuel mixture credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2019 $500 and $0 thereafter.
3/ In addition, the biodiesel producer tax credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2019 $2,130 and $0 thereafter.
4/ In addition, the credit for holding clean renewable energy bonds has outlay effects of (in millions of dollars):
2019 $50; 2020 $50; 2021 $50; 2022 $50; 2023 $50; 2024 $50; 2025, $50; 2026 $50; 2017 $50; 2028 $50, and 2029 $50.
5/ In addition, the qualified energy conservation bonds have outlay effects of (in millions of dollars):
2019 $40; 2020 $40; 2021 $40; 2022 $40; 2023 $40; 2024 $40; 2025, $40; 2026 $40; 2027 $40; 2028 $40, and 2029 $40.
6/ In addition, recovery zone bonds have outlay effects (in millions of dollars) as follows:
2019 $290; 2020 $290; 2021 $290; 2022 $290; 2023 $290; 2024 $290; 2025, $290; 2026 $290; 2027 $290; 2028

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES FOR FISCAL YEARS 2019-2023

(in billions of dollars)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-23
National defense:												
1)Exclusion of benefits and allowances to armed forces personnel	12.200	12.400	11.200	11.340	11.540	12.000	12.500	13.000	13.600	14.270	14.930	127.040
International affairs:												
2)Exclusion of income earned abroad by U.S. citizens	4.600	7.200	7.940	8.600	8.400	8.400	9.200	9.700	10.240	10.730	11.200	51.530
3)Exclusion of income earned by foreign diplomats and employees of international organizations (source rule imposed by treaties)	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	1.000
4)Inventory property sales source rules exception	1.250	1.300	1.340	1.400	1.460	1.500	1.600	1.700	1.800	1.900	2.000	7.220
5)Exclusion of foreign trade income of foreign sales corporations (FSCs)	4.200	7.400	7.900	9.700	10.600	12.000	12.400	13.000	13.600	14.200	14.800	58.100
6)Interest Charge Domestic International Sales Corporations (IC-DISCs)	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	1.000
General science, space, and technology:												
7)Expensing of research and development costs, NIPA	13.300	14.400	13.400	16.700	20.500	21.400	22.500	23.600	24.800	26.100	27.400	106.500
8)Credit for increasing research activities	13.500	13.600	13.900	14.200	14.500	14.800	15.100	15.400	15.700	16.000	16.300	72.200
Energy:												
9)Expensing of exploration and development costs, fuels	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	4.500
10)Excess of percentage over cost depletion, fuels	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
11)Exclusion of interest on energy facility bonds	0.100	0.200	0.400	0.600	0.800	1.000	1.200	1.400	1.600	1.800	2.000	4.000
12)Credit for production from marginal wells	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
13)Credit for alternative technology property	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
14)Credit for electricity produced from certain renewable resources	0.300	0.400	0.500	0.600	0.700	0.800	0.900	1.000	1.100	1.200	1.300	3.000
15)Exclusion of interest on state and local government qualified private activity bonds	0.700	0.800	0.900	1.000	1.100	1.200	1.300	1.400	1.500	1.600	1.700	5.000
16)Exclusion of income from activities in aid of energy facilities	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
17)Exclusion of recovery credit	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
18)Credit for production from geothermal, solar, and small irrigation power	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
19)Credit for qualified fuels	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	3.500
20)Credit for production from advanced nuclear power facilities	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
21)Credit for carbon dioxide sequestration	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
22)Credit for holding clean renewable energy bonds 6/	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
23)Credit for alternative fuel vehicles, refueling stations, and hydrogen production facilities	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	1.000
24)Credit for qualified energy conservation bonds 6/	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
25)Credit for qualified energy efficient buildings	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
26)Credit for nonbusiness energy property	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
27)Credit for residential energy efficient property	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
28)Credit for qualified fuel cell and stationary microturbine power plants	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
29)Temporary 50% expensing for equipment used in the refining of liquid fuels	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
30)Credit for construction of new energy efficient homes	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
31)Credit for energy efficient appliances, electric motors, and lighting fixtures	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
32)Credit for residential energy efficient property	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
33)Credit for qualified fuel cell motor vehicles 5/	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
34)Advanced Energy Property Credit	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
35)Reduced tax rate for nuclear decommissioning funds	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
Natural resources and environment:												
36)Expensing of exploration and development costs, nonfuel minerals	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
37)Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	1.500
38)Exclusion of interest on spectrum auctions	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	1.000
39)Forest activities exclusion from capitalization rules	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
40)Tax incentives for preservation of historic structures	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	1.000
41)Exclusion of interest for spectrum facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
42)Production for endangered species recovery expenditures	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Agriculture:												
43)Expensing of certain capital outlays	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
44)Expensing of certain agricultural soil and water conservation expenditures	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
45)Treatment of farm forward contracts	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	1.500
46)Deferral of farm livestock gain	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
47)Income averaging for farmers	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
48)Exclusion of farm rental income by nonparticipant landlord	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
49)Expensing of reforestation expenditures	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Commerce and housing:												
50)Exclusion of life insurance and annuity income	2.300	1.900	2.000	2.100	2.200	2.300	2.400	2.500	2.600	2.800	2.900	10.600
51)Exclusion of death benefits	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	1.000
52)Exclusion of employer contributions for health care, life insurance, and long-term care insurance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
53)Exemption of special alternative tax for small property and casualty insurance companies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
54)Small life insurance company deduction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
55)Exclusion of interest spread of financial institutions	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
housing												
56)Exclusion of interest on owner-occupied mortgage bonds	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	1.000
57)Exclusion of interest on rental housing bonds	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
58)Exclusion of interest on bonds for owner-occupied mortgages	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
59)Deduction of State and local property tax on owner-occupied homes 6/	12.500	12.600	12.700	12.800	12.900	13.000	13.100	13.200	13.300	13.400	13.500	64.000
60)Depreciation of rental housing in excess of alternative depreciation	2.300	2.200	2.100	2.000	1.900	1.800	1.700	1.600	1.500	1.400	1.300	9.000
61)Deductibility of State and local property tax on owner-occupied homes 6/	19.500	19.600	19.700	19.800	19.900	20.000	20.100	20.200	20.300	20.400	20.500	99.000
62)Exclusion of rental income of religious organizations	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
63)Exclusion from amount subject to tax for $50,000 of overall loss	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
64)Credit for low-income housing investments	8.400	8.600	8.800	9.000	9.200	9.400	9.600	9.800	10.000	10.200	10.400	46.000
65)Credit for rehabilitation of historic structures	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	3.000
66)Exclusion from amount subject to tax for $25,000 of rental loss	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
67)Discharge of business indebtedness	37.700	30.000	43.000	63.700	54.600	51.000	47.500	44.000	40.500	37.000	33.500	232.300
68)Exclusion of interest on life insurance and annuities inside build-up	34.600	37.100	39.800	42.700	45.800	49.100	52.700	56.500	60.600	65.000	69.700	215.900
69)Treatment of qualified dividends	9.600	9.900	10.200	10.500	10.800	11.100	11.400	11.700	12.000	12.300	12.600	53.500
70)Treatment of qualified dividends	6.000	6.200	6.400	6.600	6.800	7.000	7.200	7.400	7.600	7.800	8.000	33.600
71)Treatment of qualified dividends	9.000	9.300	9.600	9.900	10.200	10.500	10.800	11.100	11.400	11.700	12.000	50.400
72)Capital gains exclusion on small corporation stock	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
73)Capital gains treatment of certain U.S. property held by foreign persons	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
74)Carry-over basis of capital gains on gifts	2.700	2.800	2.900	3.000	3.100	3.200	3.300	3.400	3.500	3.600	3.700	15.000
75)Exclusion of interest on state and local government bonds for State and local purposes	25.900	26.700	27.500	28.300	29.200	30.100	31.000	32.000	33.000	34.000	35.000	141.800
76)Exclusion of interest on bonds for private nonprofit educational facilities	3.400	3.500	3.600	3.700	3.800	3.900	4.000	4.100	4.200	4.300	4.400	18.500
77)Exclusion of interest on bonds for private nonprofit and qualified public educational facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
78)Credit for investment in qualified business development companies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
79)Credit for investment in qualified rural business development companies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
80)Exclusion of interest on energy facility bonds	0.100	0.200	0.300	0.400	0.500	0.600	0.700	0.800	0.900	1.000	1.100	2.000
81)Exclusion of interest on bonds for qualified New York Liberty Zone projects	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
82)Exclusion of interest on bonds for Gulf Opportunity Zone and Recovery Zone projects	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
83)Bonds for Kansas Job Zone projects	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
84)Bond Economic Development Bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
85)Recovery zone economic development bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
86)Employer retention credit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transportation:												
87)Deferral of gain on voluntary conversions	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
88)Exclusion of interest for airport, dock, and redevelopment facilities	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
89)Exclusion of interest for stadium, convention center, and redevelopment bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
90)Exclusion of interest for qualified highway or surface freight transfer facilities	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
Community and regional development:												
91)Exclusion of interest for State and local government qualified private activity bonds	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
92)Credit for low-income communities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
93)Exclusion of income of States, political subdivisions, and tribal governments from sale of emissions credits, allowances, and allowance rights	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
94)Tax credit for certain distressed communities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Education, training, employment, and social services:												
95)Exclusion of interest for student loan bonds	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
96)Exclusion of interest for mortgage subsidy bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
97)Exclusion of interest for bonds for private nonprofit and qualified public educational facilities	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
98)Qualified zone academy bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
99)Exclusion of interest on savings bonds redeemed to finance educational expenses	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
100)Qualified school construction bonds 10/	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
101)Qualified school construction bonds 10/	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
102)Special deduction for teacher expenses	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	1.000
103)Deduction for higher education expenses	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
104)Deduction of charitable contributions (education)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
105)Exclusion of interest on student-loan bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
106)Special rules for refunding certain educational bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
107)Exclusion of interest on bonds for Parker College of Aviation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
108)Exclusion of interest on bonds for Midwest Institute of Health	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
109)Exclusion of interest on bonds for Lindenwood University	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health:												
110)Exclusion of employer contributions for medical insurance premiums and medical care 11/	202.400	203.200	214.000	225.300	237.200	249.800	263.100	277.100	291.800	307.300	323.600	1,187.600
111)Medical savings accounts/health savings accounts (MSAs/HSAs)	2.400	2.600	2.800	3.000	3.200	3.400	3.600	3.800	4.000	4.200	4.400	16.000
112)Deductibility of medical expenses	8.400	8.600	7.100	7.300	7.500	7.700	7.900	8.100	8.300	8.500	8.700	37.200
113)Exclusion of interest on bonds for Kinder Institute of Urban Research	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
114)Exclusion of interest on bonds for Houston Medical Learning Campus	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
115)Exclusion of interest on bonds for Oklahoma Health Care Center	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
116)Exclusion of interest on bonds for Montana Deaconess Medical Center	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
117)Exclusion of interest on bonds for Adventist Health System/Sunbelt Obligated Group	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
118)Exclusion of interest on bonds for Adventist Health System/Sunbelt Obligated Group	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
119)Additional deduction for the blind	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
120)Additional deduction for the aged	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
121)Tax credit for the elderly and disabled	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
122)Exclusion of interest on hospital construction bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
123)Qualified hospital construction bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
124)Exclusion of interest on bonds for Orange County, California	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
125)Exclusion of interest on bonds for Christus Health	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
126)Exclusion of interest on bonds for Children's Mercy Hospital	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
127)Exclusion of interest on bonds for Cincinnati Children's Hospital Medical Center	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
128)Medical research bonds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
129)Exclusion of employer provided child care	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
130)Assistance for adopted foster children	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
131)Adoption tax credit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
132)Exclusion of employer provided transportation benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
133)Exclusion of employee meals and lodging (other than military)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
134)Credit for employer health insurance expenses of small business 13/	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
135)Credit for disabled access expenditures	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
136)Exclusion of interest on bonds for Iowa Fuel Facility	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
137)Exclusion of certain foster care payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
138)Assistance for adoptions	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
139)Indian employment credit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
140)Employer differential wage payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Income security:												
141)Exclusion of railroad retirement (Social Security equivalent) benefits	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.500
142)Exclusion of railroad retirement benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
143)Exclusion of public assistance benefits (normal tax method)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
144)Exclusion of public assistance benefits (cost recovery)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
145)Exclusion of veterans pension payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
146)Exclusion of veterans pension payments and earnings	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
147)Deferral of military death gratuity	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
148)Defined contribution employer plans	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
149)Exclusion of interest on life insurance proceeds	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
150)Low and moderate income savers credit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
151)Exclusion of interest on bonds for Denver Union Station project	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
152)Exclusion of interest on bonds for Navajo Nation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
153)Exclusion of interest on bonds for Kansas City, Kansas, Public Schools	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
154)Exclusion of interest on bonds for Cook County, Illinois, Health and Hospitals System	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
155)Exclusion of interest on bonds for Texas Health Care Facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
156)Exclusion of income from State and local government sponsored collegiate housing and charitable organizations	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
157)Additional exemption for blind taxpayers	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
158)Additional deduction for the aged	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
159)Exclusion of interest on bonds for Dakota Wesleyan University	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
160)Exclusion of interest on bonds for Saint Paul College	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Social Security:												
161)Exclusion of social security benefits	32.900	33.800	34.700	35.600	36.500	37.500	38.500	39.500	40.500	41.500	42.500	177.100
162)Social Security benefits for

1-Feb-16

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES FOR FISCAL YEARS 2014-2024

(in millions of dollars)

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015-24
	National defense:												
1	Exclusion of benefits and allowances to armed forces personnel	12,960	13,570	14,110	13,060	13,190	13,640	14,200	14,820	15,480	16,190	16,950	145,210
	International affairs:												
2	Exclusion of income earned abroad by U.S. citizens	5,700	5,990	6,280	6,600	6,930	7,280	7,640	8,020	8,420	8,840	9,290	75,290
3	Exclusion of certain allowances for Federal employees abroad	1,180	1,240	1,300	1,370	1,430	1,510	1,580	1,660	1,740	1,830	1,920	15,580
4	Inventory property sales source rules exception	3,650	3,960	4,290	4,660	5,050	5,470	5,930	6,430	6,960	7,550	8,180	58,480
5	Deferral of income from controlled foreign corporations (normal tax method)	61,710	64,560	67,780	71,170	74,730	78,470	82,390	86,510	90,840	95,380	100,150	811,980
6	Deferred taxes for financial firms on certain income earned overseas	4,250	0	0	0	0	0	0	0	0	0	0	0
	General science, space, and technology:												
7	Expensing of research and experimentation expenditures (normal tax method)	7,060	7,110	7,040	7,320	7,360	7,420	7,510	7,610	7,800	8,040	8,340	75,550
8	Credit for increasing research activities	6,020	3,620	3,090	2,630	2,230	1,880	1,580	1,330	1,110	920	770	19,160
	Energy:												
9	Expensing of exploration and development costs, fuels	240	290	450	510	530	610	690	720	760	810	850	6,220
10	Excess of percentage over cost depletion, fuels	660	790	910	1,050	1,200	1,350	1,450	1,510	1,640	1,790	1,940	13,630
11	Alternative fuel production credit	0	0	0	0	0	0	0	0	0	0	0	0
12	Exception from passive loss limitation for working interests in oil and gas properties	20	10	10	10	10	10	10	10	10	10	10	100
13	Capital gains treatment of royalties on coal	100	110	120	130	130	140	140	150	150	160	170	1,400
14	Exclusion of interest on energy facility bonds	20	20	30	30	30	30	30	40	40	40	40	330
15	Energy production credit 1/	2,240	2,570	2,540	2,380	2,250	2,140	1,920	1,610	1,300	950	490	18,150
16	Energy investment credit 1/	1,870	1,490	1,320	1,040	290	-20	-60	-10	30	50	50	4,180
17	Alcohol fuel credits 2/	0	0	0	0	0	0	0	0	0	0	0	0
18	Bio-Diesel and small agri-biodiesel producer tax credits 3/	80	30	20	10	0	0	0	0	0	0	0	60
19	Tax credit and deduction for clean-fuel burning vehicles	430	580	740	720	810	790	470	240	170	170	180	4,870
20	Exclusion of utility conservation subsidies	410	430	450	470	490	520	540	570	590	620	650	5,330
21	Credit for holding clean renewable energy bonds 4/	70	70	70	70	70	70	70	70	70	70	70	700
22	Deferral of gain from dispositions of transmission property to implement FERC restructuring policy	-70	-230	-210	-180	-150	-130	-90	-30	0	0	0	-1,020
23	Credit for investment in clean coal facilities	200	180	110	100	190	190	90	0	-20	-10	-10	820
24	Temporary 50% expensing for equipment used in the refining of liquid fuels	-880	-1,600	-1,320	-1,100	-910	-740	-590	-450	-290	-140	170	-6,970
25	Natural gas distribution pipelines treated as 15-year property	170	170	170	180	190	190	180	130	40	-70	-200	980
26	Amortize all geological and geophysical expenditures over 2 years	80	100	120	120	120	120	110	110	110	110	110	1,130
27	Allowance of deduction for certain energy efficient commercial building property	50	20	0	0	-20	-20	-20	-20	-20	-20	-20	-120
28	Credit for construction of new energy efficient homes	140	60	20	0	0	0	0	0	0	0	0	80
29	Credit for energy efficiency improvements to existing homes	380	0	0	0	0	0	0	0	0	0	0	0
30	Credit for energy efficient appliances	150	120	110	40	0	0	0	0	0	0	0	270
31	Credit for residential energy efficient property	1,040	1,140	1,120	650	250	50	0	0	0	0	0	3,210
32	Qualified energy conservation bonds 5/	30	30	30	30	30	30	30	30	30	30	30	300
33	Advanced energy property credit	100	60	0	-30	-30	-20	-10	0	0	0	0	-30
34	Advanced nuclear power production credit	0	80	220	440	630	690	690	690	690	610	470	5,210
	Natural resources and environment:												
35	Expensing of exploration and development costs, nonfuel minerals	80	80	80	80	80	80	80	80	90	90	90	830
36	Excess of percentage over cost depletion, nonfuel minerals	590	610	620	640	650	650	670	680	690	700	710	6,620
37	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	460	490	560	620	680	740	790	840	920	980	1,050	7,670
38	Capital gains treatment of certain timber income	100	110	120	130	130	140	140	150	150	160	170	1,400
39	Expensing of multiperiod timber growing costs	320	350	360	380	400	400	430	440	440	440	450	4,090
40	Tax incentives for preservation of historic structures	580	600	610	620	630	640	660	680	690	700	710	6,540
41	Industrial CO2 capture and sequestration tax credit	80	80	110	150	100	20	0	0	0	0	0	460
42	Deduction for endangered species recovery expenditures	20	20	30	30	30	30	40	50	50	50	50	380
	Agriculture:												
43	Expensing of certain capital outlays	230	220	210	230	240	250	270	280	290	310	330	2,630
44	Expensing of certain multiperiod production costs	350	350	370	390	410	440	460	490	520	550	590	4,570
45	Treatment of loans forgiven for solvent farmers	40	40	40	40	40	40	40	40	40	40	40	400
46	Capital gains treatment of certain income	1,020	1,140	1,250	1,310	1,330	1,360	1,410	1,460	1,520	1,590	1,660	14,030
47	Income averaging for farmers	130	130	140	140	140	140	140	140	140	140	140	1,390
48	Deferral of gain on sale of farm refiners	20	20	20	20	20	20	30	30	30	30	30	250
49	Expensing of reforestation expenditures	70	80	90	90	100	100	100	110	120	120	130	1,040
	Commerce and housing:												
	Financial institutions and insurance:												
50	Exemption of credit union income	1,580	1,760	2,170	2,240	2,320	2,430	2,520	2,780	2,930	2,970	3,270	25,390
51	Exclusion of interest on life insurance savings	13,370	13,100	17,730	22,430	26,910	30,760	34,450	38,460	42,000	44,730	46,850	317,420
52	Special alternative tax on small property and casualty insurance companies	10	10	10	20	20	20	20	20	20	20	20	180
53	Tax exemption of certain insurance companies owned by tax-exempt organizations	660	690	730	750	790	820	880	910	940	960	990	8,460
54	Small life insurance company deduction	30	30	40	40	40	40	40	50	50	50	50	430
55	Exclusion of interest spread of financial institutions	1,710	2,540	2,720	2,920	3,120	3,310	3,500	3,700	3,900	4,090	4,260	34,060
	Housing:												
56	Exclusion of interest on owner-occupied mortgage subsidy bonds	1,260	1,340	1,530	1,720	1,850	2,020	2,150	2,300	2,510	2,700	2,870	20,990
57	Exclusion of interest on rental housing bonds	1,030	1,100	1,240	1,400	1,510	1,640	1,750	1,880	2,040	2,200	2,330	17,090
58	Mortgage interest expense on owner-occupied residences	66,910	69,480	75,260	83,100	92,170	101,730	111,190	120,440	129,540	138,390	147,610	1,068,910
59	Deduction for property taxes on real property	31,590	33,120	35,520	38,190	40,980	43,830	46,730	49,550	52,400	55,340	58,450	454,110
60	Deferral of income from installment sales	1,530	1,660	1,770	1,850	1,890	1,940	2,010	2,090	2,170	2,260	2,360	20,000
61	Capital gains exclusion on home sales	35,540	36,930	39,560	42,380	45,390	48,630	52,090	55,800	59,770	64,030	68,580	513,160
62	Exclusion of net imputed rental income	75,240	78,810	82,420	86,800	90,570	93,610	96,220	100,340	104,630	109,120	113,800	956,320
63	Exception from passive loss rules for $25,000 of rental loss	7,220	8,330	8,820	9,340	9,860	10,370	10,840	11,260	11,650	12,050	12,500	105,020
64	Credit for low-income housing investments	8,120	7,980	7,890	8,190	8,460	8,710	8,920	9,110	9,320	9,580	9,860	88,020
65	Accelerated depreciation on rental housing (normal tax method)	1,050	1,080	1,330	1,770	2,230	2,760	3,330	3,990	4,690	5,290	5,880	32,350
66	Discharge of mortgage indebtedness	3,100	0	0	0	0	0	0	0	0	0	0	0
	Commerce:												
67	Discharge of business indebtedness	-80	-110	-80	-40	-30	-20	-10	20	40	50	50	-130
68	Exceptions from imputed interest rules	40	40	50	60	60	60	70	70	70	70	70	620
69	Treatment of qualified dividends	26,920	26,320	26,810	27,770	28,940	30,170	31,510	32,920	34,410	35,950	37,590	312,390
70	Capital gains (except agriculture, timber, iron ore, and coal)	76,140	85,360	93,030	97,560	99,340	101,750	105,060	109,090	113,640	118,560	123,750	1,047,140
71	Capital gains exclusion of small corporation stock	140	220	380	530	680	780	720	600	520	460	400	5,290
72	Step-up basis of capital gains at death	60,370	63,440	66,670	70,070	73,630	77,380	81,320	85,460	89,810	94,380	99,180	801,340
73	Carryover basis of capital gains on gifts	7,360	7,750	7,420	6,810	6,290	5,840	5,480	5,180	4,960	4,810	4,740	59,280
74	Ordinary income treatment of loss from small business corporation stock sale	50	50	50	50	50	50	50	50	50	50	50	500
75	Accelerated depreciation of buildings other than rental housing (normal tax method)	-8,260	-8,480	-8,530	-8,850	-9,090	-9,530	-10,360	-10,950	-11,480	-12,040	-12,800	-102,110
76	Accelerated depreciation of machinery and equipment (normal tax method)	-9,360	-12,260	4,770	17,690	26,780	33,790	40,380	44,420	47,070	49,580	54,590	306,810
77	Expensing of certain small investments (normal tax method)	-1,050	-1,980	-740	80	640	980	1,220	1,470	1,700	1,880	2,030	7,280
78	Graduated corporation income tax rate (normal tax method)	3,960	3,890	3,860	3,700	3,730	3,780	3,680	3,820	3,900	4,040	3,900	38,300
79	Exclusion of interest on small issue bonds	170	180	210	230	250	270	290	310	340	370	390	2,840
80	Deduction for US production activities	13,930	14,500	15,230	15,930	16,630	17,370	18,150	18,960	19,780	20,640	21,550	178,740
81	Special rules for certain film and TV production	170	100	60	30	10	0	0	0	0	0	0	200
	Transportation:												
83	Tonnage tax	70	70	70	80	80	90	90	90	100	100	110	880
83	Deferral of tax on shipping companies	10	0	0	0	0	0	0	0	0	0	0	0
84	Exclusion of reimbursed employee parking expenses	2,690	2,800	2,910	3,040	3,140	3,220	3,330	3,450	3,540	3,680	3,800	32,910
85	Exclusion for employer-provided transit passes	710	720	770	820	870	910	970	1,020	1,080	1,150	1,220	9,530
86	Tax credit for certain expenditures for maintaining railroad tracks	70	0	0	0	0	0	0	0	0	0	0	0
87	Exclusion of interest on bonds for Highway Projects and rail-truck transfer facilities	230	220	210	200	190	170	170	160	160	140	140	1,760
	Community and regional development:												
88	Investment credit for rehabilitation of structures (other than historic)	30	30	30	30	30	30	30	30	30	30	30	300
89	Exclusion of interest for airport, dock, and similar bonds	760	820	920	1,030	1,120	1,220	1,300	1,390	1,520	1,630	1,730	12,680
90	Exemption of certain mutuals' and cooperatives' income	120	120	120	130	130	130	140	140	140	140	150	1,340
91	Empowerment zones and renewal communities	90	40	30	20	20	30	20	10	10	10	10	200
92	New markets tax credit	1,010	1,040	1,050	960	750	520	370	210	40	-70	-130	4,740
93	Expensing of environmental remediation costs	-190	-180	-170	-160	-160	-160	-140	-140	-130	-130	-130	-1,500
94	Credit to holders of Gulf Tax Credit Bonds.	220	240	270	310	340	360	390	420	450	490	520	3,790
95	Recovery Zone Bonds 6/	120	130	150	170	180	200	210	230	240	260	280	2,050
96	Tribal Economic Development Bonds	40	40	50	50	60	60	70	70	80	80	80	640
	Education, training, employment, and social services:												
	Education:												
97	Exclusion of scholarship and fellowship income (normal tax method)	2,980	3,090	3,200	3,310	3,420	3,550	3,670	3,800	3,940	4,080	4,230	36,290
98	HOPE tax credit	0	0	0	0	780	7,860	8,270	8,350	8,450	8,770	8,810	51,290
99	Lifetime Learning tax credit	2,240	2,430	2,460	2,480	2,730	4,660	4,740	4,790	4,840	4,850	4,870	38,850
100	American Opportunity Tax Credit 7/	15,710	15,660	15,690	15,760	14,100	0	0	0	0	0	0	61,210
101	Education Individual Retirement Accounts	60	60	70	70	80	80	90	100	110	110	120	890
102	Deductibility of student-loan interest	1,730	1,770	1,760	1,760	1,750	1,790	1,790	1,780	1,810	1,810	1,790	17,810
103	Deduction for higher education expenses	400	0	0	0	0	0	0	0	0	0	0	0
104	Qualified tuition programs	1,820	1,950	2,100	2,270	2,430	2,620	2,820	3,040	3,280	3,540	3,820	27,870
105	Exclusion of interest on student-loan bonds	510	550	620	700	750	830	880	950	1,030	1,100	1,170	8,580
106	Exclusion of interest on bonds for private nonprofit educational facilities	2,300	2,450	2,780	3,130	3,380	3,700	3,930	4,200	4,580	4,920	5,230	38,300
107	Credit for holders of zone academy bonds 8/	180	160	130	120	110	100	100	90	90	80	80	1,060
108	Exclusion of interest on savings bonds redeemed to finance educational expenses	20	30	30	30	30	30	30	40	40	40	40	340
109	Parental personal exemption for students age 19 or over	4,390	4,460	4,540	4,640	4,690	4,770	4,860	4,990	5,110	5,210	5,360	48,630
110	Deductibility of charitable contributions (education)	4,840	5,120	5,480	5,890	6,330	6,760	7,170	7,570	7,970	8,360	8,750	69,400
111	Exclusion of employer-provided educational assistance	750	800	840	890	930	980	1,030	1,090	1,140	1,200	1,260	10,160
112	Special deduction for teacher expenses	130	0	0	0	0	0	0	0	0	0	0	0
113	Discharge of student loan indebtedness	90	90	90	100	100	100	100	100	110	110	110	1,010
114	Qualified school construction bonds 9/	490	490	650	650	650	650	650	650	650	650	650	6,340
	Training, employment, and social services:												
115	Work opportunity tax credit	950	510	270	200	150	110	80	60	50	30	30	1,490
116	Employer provided child care exclusion	890	940	1,000	1,060	1,130	1,210	1,280	1,340	1,420	1,500	1,620	12,500
117	Employer-provided child care credit	10	10	10	10	10	10	10	10	10	10	10	100
118	Assistance for adopted foster children	530	560	590	620	660	700	740	790	840	890	940	7,330
119	Adoption credit and exclusion 10/	260	340	310	310	360	350	390	400	400	400	410	3,670
120	Exclusion of employee meals and lodging (other than military)	2,590	4,370	4,490	4,620	4,770	4,910	5,050	5,190	5,330	5,470	5,610	49,810
121	Child credit 11/	23,800	23,900	24,070	24,160	24,230	24,300	24,010	23,670	23,210	22,780	22,050	236,380
122	Credit for child and dependent care expenses	4,420	4,510	4,590	4,690	4,780	4,840	4,950	5,070	5,180	5,280	5,400	49,290
123	Credit for disabled access expenditures	30	30	30	30	40	40	40	40	40	40	40	370
124	Deductibility of charitable contributions, other than education and health	41,910	44,280	47,380	51,170	55,220	59,100	62,810	66,430	69,980	73,460	76,920	606,750
125	Exclusion of certain foster care payments	380	390	380	370	370	360	350	350	340	330	320	3,560
126	Exclusion of parsonage allowances	700	740	780	820	860	910	960	1,010	1,060	1,120	1,180	9,440
127	Indian employment credit	40	30	30	20	10	10	10	10	10	0	0	130
	Health:												
128	Exclusion of employer contributions for medical insurance premiums and medical care 12/	195,050	206,430	216,080	226,860	236,640	250,420	267,950	285,890	305,610	327,230	350,670	2,673,780
129	Self-employed medical insurance premiums	6,380	6,660	6,970	7,270	7,600	7,930	8,270	8,650	9,150	9,650	9,380	81,530
130	Medical Savings Accounts / Health Savings Accounts	4,010	4,770	5,660	6,720	7,950	9,440	11,240	13,370	15,900	18,900	22,540	116,490
131	Deductibility of medical expenses	6,810	7,080	7,660	7,700	8,090	9,080	10,530	12,300	14,250	16,720	19,700	113,110
132	Exclusion of interest on hospital construction bonds	3,500	3,730	4,230	4,770	5,150	5,630	5,980	6,410	6,970	7,500	7,960	58,330
133	Refundable Premium Assistance Tax Credit 13/	0	-1,780	-3,070	-3,920	-5,650	-7,920	-8,850	-9,410	-10,030	-10,310	-10,770	-71,710
134	Credit for employee health insurance expenses of small business 14/	510	630	630	570	510	390	330	210	190	120	120	3,700
135	Deductibility of charitable contributions (health)	4,740	5,010	5,350	5,780	6,240	6,680	7,090	7,500	7,910	8,290	8,680	68,530
136	Tax credit for orphan drug research	1,210	1,450	1,750	2,110	2,550	3,070	3,710	4,470	5,400	6,510	7,850	38,870
137	Special Blue Cross/Blue Shield deduction	150	280	380	400	350	320	350	380	360	350	380	3,550
138	Tax credit for health insurance purchased by certain displaced and retired individuals 15/	0	0	0	0	0	0	0	0	0	0	0	0
139	Distributions from retirement plans for premiums for health and long-term care insurance	360	400	440	460	480	500	520	540	560	580	600	5,080
	Income security:												
140	Exclusion of railroad retirement system benefits	320	320	320	320	320	320	320	310	310	310	310	3,160
141	Exclusion of workers' compensation benefits	9,890	9,990	10,090	10,190	10,290	10,390	10,490	10,600	10,710	10,810	10,920	104,480
142	Exclusion of public assistance benefits (normal tax method)	610	640	660	710	760	750	760	790	810	860	830	7,570
143	Exclusion of special benefits for disabled coal miners	30	30	30	20	20	20	10	10	10	10	10	170
144	Exclusion of military disability pensions	140	140	140	140	150	150	150	150	160	160	160	1,500
	Net exclusion of pension contributions and earnings:												
145	Defined benefit employer plans	42,780	44,640	46,260	48,040	49,100	50,780	55,840	66,620	77,960	86,490	95,320	621,050
146	Defined contribution employer plans	62,530	68,040	73,910	74,670	79,380	81,190	92,750	101,870	108,470	114,770	122,340	917,390
147	Individual Retirement Accounts	16,580	17,240	18,270	19,230	20,240	21,200	21,930	23,320	25,100	26,210	27,010	219,750
148	Low and moderate income savers credit	1,230	1,240	1,290	1,270	1,280	1,290	1,310	1,320	1,320	1,350	1,340	13,010
149	Self-Employed plans	23,240	25,480	28,020	30,780	33,740	37,000	40,450	43,990	47,850	52,040	56,600	395,950
	Exclusion of other employee benefits:												
150	Premiums on group term life insurance	2,200	2,320	2,420	2,520	2,630	2,740	2,840	2,960	3,070	3,190	3,310	28,000
151	Premiums on accident and disability insurance	310	310	320	320	330	330	330	340	340	340	350	3,310
152	Income of trusts to finance supplementary unemployment benefits	20	30	40	40	50	60	60	70	80	80	90	600
153	Special ESOP rules	1,730	1,810	1,910	2,000	2,090	2,200	2,300	2,420	2,540	2,660	2,780	22,710
154	Additional deduction for the blind	30	30	30	40	40	40	40	50	50	50	50	420
155	Additional deduction for the elderly	2,520	2,730	2,930	3,210	3,450	3,700	3,980	4,160	4,430	4,770	5,080	38,440
156	Tax credit for the elderly and disabled	10	10	10	10	10	10	10	0	0	0	0	60
157	Deductibility of casualty losses	330	340	360	380	390	410	430	440	460	470	480	4,160
158	Earned income tax credit 16/	3,660	5,030	5,090	4,300	3,110	1,830	1,910	2,030	2,120	2,220	2,330	29,970
	Social Security:												
	Exclusion of social security benefits:												
159	Social Security benefits for retired workers	26,200	27,080	28,300	29,850	31,110	32,390	33,640	34,490	35,330	36,090	36,580	324,860
160	Social Security benefits for disabled workers	8,050	8,310	8,580	8,660	8,620	8,660	8,780	8,940	9,160	9,390	9,690	88,790
161	Social Security benefits for spouses, dependents and survivors	4,330	4,390	4,530	4,710	4,840	5,020	5,200	5,360	5,530	5,700	5,850	51,130
	Veterans benefits and services:												
162	Exclusion of veterans death benefits and disability compensation	5,720	6,380	6,860	7,200	7,530	7,830	8,160	8,490	8,830	9,170	9,510	79,960
163	Exclusion of veterans pensions	420	460	480	510	530	550	570	590	610	630	650	5,580
164	Exclusion of GI bill benefits	1,460	1,580	1,700	1,840	1,980	2,130	2,280	2,450	2,620	2,810	3,010	22,400
165	Exclusion of interest on veterans housing bonds	10	10	10	10	10	20	10	10	30	30	30	170
	General purpose fiscal assistance:												
166	Exclusion of interest on public purpose State and local bonds	29,090	31,070	35,190	39,690	42,820	46,810	49,710	53,270	57,990	62,390	66,170	485,110
167	Build America Bonds 17/	0	0	0	0	0	0	0	0	0	0	0	0
168	Deductibility of nonbusiness State and local taxes other than on owner-occupied homes	45,720	47,490	51,180	55,300	59,490	63,620	67,910	72,140	76,540	81,120	85,490	660,280
	Interest:												
169	Deferral of interest on U.S. savings bonds	1,030	1,020	1,010	1,000	990	980	970	960	950	940	930	9,750
	Addendum: Aid to State and local governments:												
	Deductibility of:												
	Property taxes on owner-occupied homes	31,590	33,120	35,520	38,190	40,980	43,830	46,730	49,550	52,400	55,340	58,450	454,110
	Nonbusiness State and local taxes other than on owner-occupied homes	45,720	47,490	51,180	55,300	59,490	63,620	67,910	72,140	76,540	81,120	85,490	660,280
	Exclusion of interest on State and local bonds for:												
	Public purposes	29,090	31,070	35,190	39,690	42,820	46,810	49,710	53,270	57,990	62,390	66,170	485,110
	Energy facilities	20	20	30	30	30	30	30	40	40	40	40	330
	Water, sewage, and hazardous waste disposal facilities	460	490	560	620	680	740	790	840	920	980	1,050	7,670
	Small-issues	170	180	210	230	250	270	290	310	340	370	390	2,840
	Owner-occupied mortgage subsidies	1,260	1,340	1,530	1,720	1,850	2,020	2,150	2,300	2,510	2,700	2,870	20,990
	Rental housing	1,030	1,100	1,240	1,400	1,510	1,640	1,750	1,880	2,040	2,200	2,330	17,090
	Airports, docks, and similar facilities	760	820	920	1,030	1,120	1,220	1,300	1,390	1,520	1,630	1,730	12,680
	Student loans	510	550	620	700	750	830	880	950	1,030	1,100	1,170	8,580
	Private nonprofit educational facilities	2,300	2,450	2,780	3,130	3,380	3,700	3,930	4,200	4,580	4,920	5,230	38,300
	Hospital construction	3,500	3,730	4,230	4,770	5,150	5,630	5,980	6,410	6,970	7,500	7,960	58,330
	Veterans' housing	10	10	10	10	10	20	10	10	30	30	30	170

1/ Firms can take an energy grant in lieu of the energy production credit or the energy investment credit for facilities placed in service in 2009 and 2010 or whose construction commenced in 2009 and 2010. The effect of the grant on outlays (in millions of dollars) is as follows: 2014 $3,164; 2015 $2,218; 2016 $1,210; 2017 $605.

2/ The alternative fuel mixture credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2014 $370.

3/ In addition, the biodiesel producer tax credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2014 $1,830.

4/ In addition, the provision has outlay effects of (in millions of dollars): 2014 $30; 2015 $30; 2016

9-May-14

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES FOR FISCAL YEARS 2013-2019

(in millions of dollars)

		Total from corporations and individuals							
		2013	2014	2015	2016	2017	2018	2019	2015-19
National Defense									
1	Exclusion of benefits and allowances to armed forces personnel	11,620	12,620	13,230	12,200	12,310	12,730	13,240	63,710
International affairs:									
2	Exclusion of income earned abroad by U.S. citizens	4,410	4,310	4,350	4,470	4,730	4,990	5,200	23,740
3	Exclusion of certain allowances for Federal employees abroad	1,100	1,160	1,220	1,280	1,340	1,410	1,480	6,730
4	Inventory property sales source rules exception	3,320	3,600	3,890	4,220	4,560	4,940	5,352	22,962
5	Deferral of income from controlled foreign corporations (normal tax method)	63,440	72,740	75,540	76,380	76,260	73,970	71,060	373,210
6	Deferred taxes for financial firms on certain income earned overseas	6,660	2,700	0	0	0	0	0	0
General science, space, and technology:									
7	Expensing of research and experimentation expenditures (normal tax method)	5,840	5,160	4,800	5,450	6,230	6,930	7,270	30,680
8	Credit for increasing research activities	8,430	5,420	3,170	2,860	2,570	2,300	2,030	12,930
Energy:									
9	Expensing of exploration and development costs, fuels	550	510	510	590	600	550	520	2,770
10	Excess of percentage over cost depletion, fuels	530	670	780	920	1,070	1,230	1,390	5,390
11	Alternative fuel production credit	10	0	0	0	0	0	0	0
12	Exception from passive loss limitation for working interests in oil and gas properties	20	20	20	20	20	20	20	100
13	Capital gains treatment of royalties on coal	90	80	90	110	120	120	130	570
14	Exclusion of interest on energy facility bonds	20	30	30	30	30	30	30	150
15	Energy production credit 1/	1,670	2,370	3,000	3,330	3,370	3,210	3,130	16,040
16	Energy investment credit 1/	1,950	1,840	1,470	1,380	850	220	-20	3,900
17	Alcohol fuel credits 2/	40	10	10	0	0	0	0	10
18	Bio-Diesel and small agri-biodiesel producer tax credits 3/	20	20	0	0	0	0	0	0
19	Tax credit and deduction for clean-fuel burning vehicles	270	440	670	680	650	400	150	2,550
20	Exclusion of utility conservation subsidies	340	340	340	340	320	320	320	1,640
21	Credit for holding clean renewable energy bonds 4/	70	70	70	70	70	70	70	350
22	Deferral of gain from dispositions of transmission property to implement FERC restructuring policy	0	-60	-220	-220	-200	-170	-140	-950
23	Credit for investment in clean coal facilities	180	200	140	40	20	-10	-10	180
24	Temporary 50% expensing for equipment used in the refining of liquid fuels	600	-100	-700	-830	-870	-800	-660	-3,860
25	Natural gas distribution pipelines treated as 15-year property	100	100	100	110	110	120	120	560
26	Amortize all geological and geophysical expenditures over 2 years	100	110	130	130	120	100	100	580
27	Allowance of deduction for certain energy efficient commercial building property	70	40	20	0	0	-20	-20	-20
28	Credit for construction of new energy efficient homes	150	120	60	20	0	0	0	80
29	Credit for energy efficiency improvements to existing homes	610	0	0	0	0	0	0	0
30	Credit for energy efficient appliances	150	130	120	100	0	0	0	220
31	Credit for residential energy efficient property	960	1,060	1,170	1,300	540	0	0	3,010
32	Qualified energy conservation bonds 5/	20	30	30	30	30	30	30	150
33	Advanced energy property credit	210	110	90	0	0	-10	-10	70
34	Advanced nuclear power production credit	0	0	0	0	210	470	590	1,270
Natural resources and environment:									
35	Expensing of exploration and development costs, nonfuel minerals	50	50	50	60	60	60	60	290
36	Excess of percentage over cost depletion, nonfuel minerals	580	590	590	600	610	620	640	3,060
37	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	450	490	560	630	690	730	790	3,400
38	Capital gains treatment of certain timber income	90	80	90	110	120	120	130	570
39	Expensing of multiperiod timber growing costs	280	300	300	320	330	340	360	1,650
40	Tax incentives for preservation of historic structures	570	580	600	610	620	630	640	3,100
41	Industrial CO2 capture and sequestration tax credit	80	80	80	130	250	120	0	580
42	Deduction for endangered species recovery expenditures	20	20	20	30	30	30	30	140
Agriculture:									
43	Expensing of certain capital outlays	90	100	100	110	110	120	120	560
44	Expensing of certain multiperiod production costs	140	140	140	140	150	150	160	740
45	Treatment of loans forgiven for solvent farmers	40	40	40	40	40	40	40	200
46	Capital gains treatment of certain income	920	800	920	1,060	1,160	1,230	1,280	5,650
47	Income averaging for farmers	130	130	130	140	140	140	140	690
48	Deferral of gain on sale of farm refiners	20	20	20	20	20	20	20	100
49	Expensing of reforestation expenditures	70	70	70	80	80	90	100	420
Commerce and housing:									
	Financial institutions and insurance:								
50	Exemption of credit union income	2,000	2,070	1,970	2,370	2,700	2,770	3,000	12,810
51	Exclusion of interest on life insurance savings	18,930	21,270	23,040	24,690	26,370	28,180	30,090	132,370
52	Special alternative tax on small property and casualty insurance companies	10	10	10	10	20	20	20	80
53	Tax exemption of certain insurance companies owned by tax-exempt organizations	600	660	690	730	760	790	830	3,800
54	Small life insurance company deduction	30	30	40	40	40	40	40	200
55	Exclusion of interest spread of financial institutions	210	1,260	1,840	1,940	2,030	2,130	2,230	10,170
	Housing:								
56	Exclusion of interest on owner-occupied mortgage subsidy bonds	1,230	1,360	1,510	1,700	1,880	2,000	2,140	9,230
57	Exclusion of interest on rental housing bonds	1,000	1,090	1,230	1,390	1,520	1,640	1,750	7,530
58	Deductibility of mortgage interest on owner-occupied homes	69,020	70,370	73,910	79,830	89,150	100,600	112,840	456,330
59	Deductibility of State and local property tax on owner-occupied homes	29,290	31,740	33,880	36,570	39,600	42,730	45,770	198,550
60	Deferral of income from installment sales	1,140	1,330	1,470	1,630	1,760	1,860	1,950	8,670
61	Capital gains exclusion on home sales	34,270	52,250	56,510	61,110	66,090	71,480	77,300	332,490
62	Exclusion of net imputed rental income	72,440	76,220	79,810	83,470	87,900	92,570	97,488	441,238
63	Exception from passive loss rules for $25,000 of rental loss	8,660	9,820	10,360	10,910	11,550	12,240	12,810	57,870
64	Credit for low-income housing investments	7,410	8,310	8,280	8,330	8,730	9,080	9,420	43,840
65	Accelerated depreciation on rental housing (normal tax method)	1,780	2,090	2,500	3,020	3,560	4,130	4,710	17,920
66	Discharge of mortgage indebtedness	3,360	870	0	0	0	0	0	0
	Commerce:								
67	Cancellation of indebtedness	0	-60	-80	-80	-60	-20	20	-220
68	Exceptions from imputed interest rules	20	30	40	40	50	50	60	240
69	Treatment of qualified dividends	23,650	23,840	26,650	28,580	30,040	31,290	32,390	148,950
70	Capital gains (except agriculture, timber, iron ore, and coal)	68,860	60,030	68,850	79,300	86,950	91,550	95,620	422,270
71	Capital gains exclusion of small corporation stock	140	340	480	640	850	1,000	1,010	3,980
72	Step-up basis of capital gains at death	23,050	30,780	32,370	34,010	35,750	37,600	39,580	179,310
73	Carryover basis of capital gains on gifts	2,870	2,290	2,560	2,810	3,060	3,260	3,400	15,090
74	Ordinary income treatment of loss from small business corporation stock sale	60	60	60	60	60	60	60	300
75	Accelerated depreciation of buildings other than rental housing (normal tax method)	-7,650	-7,570	-7,540	-7,690	-7,970	-8,350	-8,990	-40,540
76	Accelerated depreciation of machinery and equipment (normal tax method)	48,460	15,300	15,470	35,640	52,860	69,300	84,420	257,690
77	Expensing of certain small investments (normal tax method)	3,950	-1,180	-2,040	-570	380	1,080	1,570	420
78	Graduated corporation income tax rate (normal tax method)	4,300	4,200	4,130	4,100	4,220	4,200	4,370	21,020
79	Exclusion of interest on small issue bonds	170	190	210	230	250	280	290	1,260
80	Deduction for US production activities	12,860	13,790	14,480	15,200	15,840	16,820	16,150	78,490
81	Special rules for certain film and TV production	290	207	120	80	40	10	0	250
Transportation:									
83	Tonnage tax	60	70	70	70	80	80	90	520
83	Deferral of tax on shipping companies	20	20	20	20	20	20	20	100
84	Exclusion of reimbursed employee parking expenses	2,580	2,670	2,780	2,900	3,010	3,110	3,220	15,020
85	Exclusion for employer-provided transit passes	710	710	710	770	810	860	920	4,070
86	Tax credit for certain expenditures for maintaining railroad tracks	120	60	0	0	0	0	0	0
87	Exclusion of interest on bonds for Highway Projects and rail-truck transfer facilities	240	230	220	210	200	190	170	990
Community and regional development:									
88	Investment credit for rehabilitation of structures (other than historic)	30	30	30	30	30	30	30	150
89	Exclusion of interest for airport, dock, and similar bonds	740	820	920	1,030	1,130	1,210	1,300	5,590
90	Exemption of certain mutuals' and cooperatives' income	110	120	120	120	130	130	130	630
91	Empowerment zones and renewal communities	450	350	200	190	190	180	150	910
92	New markets tax credit	950	1,010	1,040	1,050	960	750	560	4,360
93	Expensing of environmental remediation costs	-180	-180	-170	-160	-160	-160	-160	-810
94	Credit to holders of Gulf Tax Credit Bonds.	220	240	280	310	340	360	390	1,680
95	Recovery Zone Bonds 6/	120	130	150	160	180	190	210	890
96	Tribal Economic Development Bonds	20	40	40	60	60	60	60	280
Education, training, employment, and social services:									
	Education:								
97	Exclusion of scholarship and fellowship income (normal tax method)	2,890	2,980	3,090	3,200	3,310	3,420	3,550	16,570
98	HOPE tax credit	0	0	0	0	0	720	7,230	7,950
99	Lifetime Learning tax credit	1,810	1,680	1,720	1,740	1,740	1,880	3,100	10,180
100	American Opportunity Tax Credit 7/	12,540	15,530	15,240	15,310	15,370	13,760	0	59,680
101	Education Individual Retirement Accounts	70	80	100	110	120	130	150	610
102	Deductibility of student-loan interest	1,720	1,720	1,780	1,780	1,790	1,790	1,840	8,980
103	Deduction for higher education expenses	600	560	0	0	0	0	0	0
104	Qualified tuition programs	1,680	1,770	1,900	2,050	2,200	2,350	2,520	11,020
105	Exclusion of interest on student-loan bonds	510	560	620	700	760	820	880	3,780
106	Exclusion of interest on bonds for private nonprofit educational facilities	2,240	2,480	2,760	3,120	3,430	3,660	3,930	16,900
107	Credit for holders of zone academy bonds 8/	200	180	160	130	120	110	100	620
108	Exclusion of interest on savings bonds redeemed to finance educational expenses	10	10	10	20	20	20	20	90
109	Parental personal exemption for students age 19 or over	5,200	5,320	5,400	5,490	5,570	5,660	5,760	27,880
110	Deductibility of charitable contributions (education)	4,550	5,040	5,370	5,810	6,290	6,780	7,290	31,540
111	Exclusion of employer-provided educational assistance	710	750	800	850	900	950	1,000	4,500
112	Special deduction for teacher expenses	190	170	0	0	0	0	0	0
113	Discharge of student loan indebtedness	90	90	90	90	100	100	100	480
114	Qualified school construction bonds 9/	580	650	650	650	650	650	650	3,250
	Training, employment, and social services:								
115	Work opportunity tax credit	900	880	460	250	200	170	130	1,210
116	Employer provided child care exclusion	880	920	970	1,040	1,110	1,170	1,240	5,530
117	Employer-provided child care credit	10	10	10	10	10	10	10	50
118	Assistance for adopted foster children	530	530	560	590	620	660	700	3,130
119	Adoption credit and exclusion 10/	450	540	580	600	640	730	660	3,210
120	Exclusion of employee meals and lodging (other than military)	2,185	3,700	3,797	3,910	4,032	4,155	4,278	20,172
121	Child credit 11/	23,480	23,350	23,500	23,620	23,480	23,450	23,480	117,530
122	Credit for child and dependent care expenses	4,160	4,200	4,310	4,460	4,590	4,690	4,760	22,810
123	Credit for disabled access expenditures	30	30	30	30	30	40	40	170
124	Deductibility of charitable contributions, other than education and health	39,260	43,600	46,630	50,600	54,940	59,390	64,250	275,810
125	Exclusion of certain foster care payments	380	380	390	380	370	370	360	1,870
126	Exclusion of parsonage allowances	737	720	758	798	840	885	931	4,212
127	Employee retention credit for employers in certain federal disaster areas	50	40	20	20	20	10	10	80
Health:									
128	Exclusion of employer contributions for medical insurance premiums and medical care 12/	185,330	196,010	207,200	217,140	229,000	241,070	256,290	1,150,700
129	Self-employed medical insurance premiums	6,140	6,670	6,970	7,240	7,550	7,870	8,170	37,800
130	Medical Savings Accounts / Health Savings Accounts	3,110	3,900	4,890	6,110	7,630	9,440	11,720	39,790
131	Deductibility of medical expenses	8,010	8,090	8,560	8,910	8,840	9,370	10,510	46,190
132	Exclusion of interest on hospital construction bonds	3,430	3,790	4,210	4,740	5,220	5,570	5,970	25,710
133	Refundable Premium Assistance Tax Credit 13/	0	0	-3,940	-4,060	-5,740	-6,290	-6,540	-26,570
134	Credit for employee health insurance expenses of small business 14/	630	870	1,050	1,040	760	470	330	3,650
135	Deductibility of charitable contributions (health)	4,470	4,980	5,350	5,820	6,340	6,880	7,460	31,850
136	Tax credit for orphan drug research	1,040	1,260	1,520	1,830	2,210	2,660	3,210	11,430
137	Special Blue Cross/Blue Shield deduction	190	230	360	430	480	440	370	2,080
138	Tax credit for health insurance purchased by certain displaced and retired individuals 15/	10	0	0	0	0	0	0	0
139	Distributions from retirement plans for premiums for health and long-term care insurance	320	360	400	440	460	480	500	2,280
Income security:									
140	Exclusion of railroad retirement system benefits	380	370	360	350	320	300	270	1,600
141	Exclusion of workers' compensation benefits	10,090	10,310	10,500	10,640	10,790	10,950	11,100	53,980
142	Exclusion of public assistance benefits (normal tax method)	770	790	820	860	900	940	980	4,500
143	Exclusion of special benefits for disabled coal miners	30	30	30	20	20	20	20	110
144	Exclusion of military disability pensions	110	110	110	110	110	110	110	550
	Net exclusion of pension contributions and earnings:								
145	Employer plans	37,860	40,090	42,340	44,750	47,270	49,160	51,440	234,960
146	401(k)-type plans	50,670	59,380	61,050	77,020	88,740	92,770	94,820	414,400
147	Individual Retirement Accounts	19,310	17,450	17,480	18,540	19,630	20,650	21,720	98,020
148	Low and moderate income savers credit	1,190	1,200	1,210	1,260	1,300	1,280	1,300	6,350
149	Self-Employed plans	19,400	23,300	25,530	28,100	30,890	33,860	37,150	155,530
	Exclusion of other employee benefits:								
150	Premiums on group term life insurance	1,910	1,940	1,980	2,030	2,080	2,130	2,180	10,400
151	Premiums on accident and disability insurance	310	310	310	320	320	330	330	1,610
152	Income of trusts to finance supplementary unemployment benefits	20	20	30	40	40	50	60	220
153	Special ESOP rules	1,650	1,730	1,810	1,910	2,000	2,090	2,200	10,010
154	Additional deduction for the blind	30	30	30	30	40	40	40	180
155	Additional deduction for the elderly	2,380	2,560	2,800	3,040	3,310	3,610	3,850	16,610
156	Tax credit for the elderly and disabled	10	10	10	10	10	10	10	50
157	Deductibility of casualty losses	310	340	360	380	400	420	430	1,990
158	Earned income tax credit 16/	4,070	4,330	4,330	4,400	4,520	4,640	4,550	22,440
Social Security:									
	Exclusion of social security benefits:								
159	Social Security benefits for retired workers	26,440	28,730	29,840	30,900	31,920	33,010	34,260	159,930
160	Social Security benefits for disabled workers	8,200	8,560	8,740	8,930	9,100	9,250	9,420	45,440
161	Social Security benefits for spouses, dependents and survivors	3,760	3,970	4,100	4,300	4,470	4,540	4,740	22,150
Veterans benefits and services:									
162	Exclusion of veterans death benefits and disability compensation	4,620	5,080	5,490	5,980	6,500	7,080	7,700	32,750
163	Exclusion of veterans pensions	410	430	450	470	480	490	510	2,400
164	Exclusion of GI bill benefits	980	1,110	1,160	1,240	1,320	1,410	1,500	6,630
165	Exclusion of interest on veterans housing bonds	10	10	20	20	30	30	30	130
General purpose fiscal assistance:									
166	Exclusion of interest on public purpose State and local bonds	28,440	31,450	35,010	39,420	43,400	46,340	49,660	213,830
167	Build America Bonds 17/	0	0	0	0	0	0	0	0
168	Deductibility of nonbusiness State and local taxes other than on owner-occupied homes	44,020	46,710	49,290	53,450	58,120	62,800	67,140	290,800
Interest:									
169	Deferral of interest on U.S. savings bonds	1,020	1,080	1,090	1,100	1,120	1,130	1,140	5,580
Addendum: Aid to State and local governments:									
	Deductibility of:								
	Property taxes on owner-occupied homes	29,290	31,740	33,880	36,570	39,600	42,730	45,770	198,550
	Nonbusiness State and local taxes other than on owner-occupied homes	44,020	46,710	49,290	53,450	58,120	62,800	67,140	290,800
	Exclusion of interest on State and local bonds for:								
	Public purposes	28,440	31,450	35,010	39,420	43,400	46,340	49,660	213,830
	Energy facilities	20	30	30	30	30	30	30	150
	Water, sewage, and hazardous waste disposal facilities	450	490	560	630	690	730	790	3,400
	Small-issues	170	190	210	230	250	280	290	1,260
	Owner-occupied mortgage subsidies	1,230	1,360	1,510	1,700	1,880	2,000	2,140	9,230
	Rental housing	1,000	1,090	1,230	1,390	1,520	1,640	1,750	7,530
	Airports, docks, and similar facilities	740	820	920	1,030	1,130	1,210	1,300	5,590
	Student loans	510	560	620	700	760	820	880	3,780
	Private nonprofit educational facilities	2,240	2,480	2,760	3,120	3,430	3,660	3,930	16,900
	Hospital construction	3,430	3,790	4,210	4,740	5,220	5,570	5,970	25,710
	Veterans' housing	10	10	20	20	30	30	30	130

1/ Firms can tax an energy grant in lieu of the energy production credit or the energy investment credit for facilities placed in service in 2009 and 2010 or whose construction commenced in 2009 The effect of the grant on outlays (in millions of dollars) is as follows: 2013 $8,080; 2014 $4,710; 2015 $2,520; 2016 $1,580; 2017 $330; 2018 $0; 2019 $0.

2/ In addition, the alcohol fuel mixture credit results in a reduction in excise tax receipts (in millions of dollars) as follows:
2013 $10; 2014 $0; 2015 $0; 2016 $0; 2017 $0; 2018 $0; 2019 $0.
The alternative fuel mixture credit results in a reduction in excise tax receipts (in millions of dollars) as follows:
2013 $350; 2014 $200; 2015 $0; 2016 $0; 2017 $0; 2018 $0; 2019 $0.

3/ In addition, the biodiesel producer tax credit results in a reduction in excise tax receipts (in millions of dollars) as follows:
2013 $1600; 2014 $610; 2015 $0; 2016 $0; 2017 $0; 2018: $0; 2019 $0.

4/ In addition, the provision has outlay effects of (in millions of dollars):
2013 $40; 2014 $50; 2015 $50; 2016 $50; 2017 $50; 2018 $50; 2019 $50.

5/ In addition, the provision has outlay effects of (in millions of dollars):
2013 $50; 2014 $60; 2015 $60; 2016 $60; 2017 $60, 2018 $60; 2019 $60.

6/ In addition, recovery zone bonds have outlay effects (in millions of dollars) as follows:
2013 $160, 2014 $160, 2015 $160, 2016 $160; and 2017 $160; 2018 $160; 2019 $160.

7/ The figures in the table indicate the effect of the American opportunity tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows:
2013 $4,040; 2014 $6,170; 2015 $6,280; 2016 $6,280; 2017 $6,090; 2018 $5,970; 2019 $2,680.

8/ In addition, the credit for holders of zone academy bonds has outlay effects of (in millions of dollars):
2013 $20; 2014 $30; 2015 $30; 2016 $30; 2017 $30; 2018 $30; and 2019 $30.

9/ In addition, the provision for school construction bonds has outlay effects of (in millions of dollars):
2013 $940; 2014 $940; 2015 $940; 2016 $940; 2017 $940, 2018 $940, and 2019 $940.

10/ The figures in the table indicate the effect of the adoption tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows:
2013 $0

11/ The figures in the table indicate the effect of the child tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows:
2013 $21,660; 2014 $21,680; 2015 $21,700; 2016 $21,600; 2017 $21,680; 2018 21,930; and 2019 $15,790.

12/ The figures in the table indicate the effect on income taxes of the employer contributions for health. In addition, the effect on payroll tax receipts (in millions of dollars) is as follows:
2013 $117,920; 2014 $122,990; 2015 $127,980; 2016 $132,400; 2017 $138,330; 2018 $145,270; 2019 $153,870.

13/ In addition, the premium assistance credit provision has outlay effects (in millions of dollars) as follows:
2014 $34,020, 2015 $55,140; 2016 $70,610; 2017 $82,150; 2018 $86,460; 2019 $90,600.

14/ In addition, the small business credit provision has outlay effects (in millions of dollars) as follows:
2013 $80; 2014 $100; 2015 $110; 2016 $120; 2017 $110; 2018 $70; 2019 $50.

15/ The figures in the table indicate the effect of the health coverage tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows:
2013 $120; 2014 $30; 2015 $0;

16/ The figures in the table indicate the effect of the earned income tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows:
2013 $56,760; 2014 $58,430; 2015 $58,070; 2016 $58,360; 2017 $59,500; 2018 $60,900; and 2019 59,330.

17/ In addition, Build America Bonds have outlay effects of (in millions of dollars):
2013 $3,190; 2014 $3,190; 2015 $3,190; 2016 $3,190; 2017 $3,190; 2018 $3,190, and 2019 $3190.

Note: Provisions with estimates denoted normal tax method have no revenue loss under the reference tax law method.
All estimates have been rounded to the nearest $10 million. Provisions with estimates that rounded to zero in each year are not included in the table.

Source: Office of Management and Budget, Budget of the United States Government Fiscal Year 2014, Analytical Perspectives, Table 17-1.
Available at http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/spec.pdf

9-May-14

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES FOR FISCAL YEARS 2012-2018

(in millions of dollars)

Total from corporations and individuals

		2012	2013	2014	2015	2016	2017	2018	2014-18
	National Defense								
1	Exclusion of benefits and allowances to armed forces personnel	14,140	14,640	15,150	14,170	14,350	14,840	15,430	73,940
	International affairs:								
2	Exclusion of income earned abroad by U.S. citizens	5,400	5,800	6,140	6,430	6,730	7,050	7,380	33,730
3	Exclusion of certain allowances for Federal employees abroad	1,070	1,120	1,180	1,240	1,300	1,370	1,430	6,520
4	Inventory property sales source rules exception	3,310	3,610	3,940	4,300	4,690	5,120	5,590	23,640
5	Deferral of income from controlled foreign corporations (normal tax method)	42,000	41,810	41,770	43,020	44,240	45,180	46,160	220,370
6	Deferred taxes for financial firms on certain income earned overseas	2,510	0	0	0	0	0	0	0
	General science, space, and technology:								
7	Expensing of research and experimentation expenditures (normal tax method)	3,740	4,810	5,040	5,530	6,560	7,610	8,470	33,210
8	Credit for increasing research activities	4,390	2,320	2,130	1,970	1,820	1,680	1,530	9,130
	Energy:								
9	Expensing of exploration and development costs, fuels	470	790	880	630	390	260	180	2,340
10	Excess of percentage over cost depletion, fuels	890	900	940	940	950	950	950	4,730
11	Alternative fuel production credit	20	10	0	0	0	0	0	0
12	Exception from passive loss limitation for working interests in oil and gas properties	10	10	10	10	10	10	10	50
13	Capital gains treatment of royalties on coal	90	80	60	80	90	100	110	440
14	Exclusion of interest on energy facility bonds	20	30	30	30	30	40	40	170
15	Energy production credit 1/	1,500	1,730	1,770	1,730	1,640	1,440	1,100	7,680
16	Energy investment credit 1/	1,040	1,270	1,360	1,670	1,880	1,110	240	6,260
17	Alcohol fuel credits 2/	140	110	50	30	10	10	0	100
18	Bio-Diesel and small agri-biodiesel producer tax credits 3/	10	0	0	0	0	0	0	0
19	Tax credit and deduction for clean-fuel burning vehicles	100	180	260	400	610	670	500	2,440
20	Exclusion of utility conservation subsidies	270	250	250	250	250	250	240	1,240
21	Credit for holding clean renewable energy bonds 4/	70	70	70	70	70	70	70	350
22	Deferral of gain from dispositions of transmission property to implement FERC restructuring policy	-70	-180	-190	-180	-150	-120	-80	-720
23	Credit for investment in clean coal facilities	380	400	420	500	320	170	170	1,580
24	Temporary 50% expensing for equipment used in the refining of liquid fuels	680	610	-90	-700	-830	-880	-800	-3,300
25	Natural gas distribution pipelines treated as 15-year property	110	100	100	100	110	120	120	550
26	Amortize all geological and geophysical expenditures over 2 years	90	110	110	90	80	70	70	420
27	Allowance of deduction for certain energy efficient commercial building property	70	70	40	20	0	0	-20	40
28	Credit for construction of new energy efficient homes	70	40	20	0	0	0	0	20
29	Credit for energy efficiency improvements to existing homes	780	0	0	0	0	0	0	0
30	Credit for energy efficient appliances	210	300	130	120	100	0	0	350
31	Credit for residential energy efficient property	910	1,010	1,140	1,270	1,420	600	0	4,430
32	Qualified energy conservation bonds 5/	20	30	30	30	30	30	30	150
33	Advanced energy property credit	580	460	110	0	-30	-50	-50	-20
34	Advanced nuclear power production credit	0	0	0	0	0	165	440	605
	Natural resources and environment:								
35	Expensing of exploration and development costs, nonfuel minerals	50	60	60	80	80	80	90	390
36	Excess of percentage over cost depletion, nonfuel minerals	560	580	600	600	610	620	630	3,060
37	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	420	470	550	600	650	680	730	3,210
38	Capital gains treatment of certain timber income	90	80	60	80	90	100	110	440
39	Expensing of multiperiod timber growing costs	270	280	300	310	320	330	350	1,610
40	Tax incentives for preservation of historic structures	540	550	570	580	590	600	610	2,950
41	Exclusion of gain or loss on sale or exchange of certain brownfield sites	40	30	10	0	0	0	0	10
42	Industrial CO2 capture and sequestration tax credit	60	60	70	80	110	210	160	630
43	Deduction for endangered species recovery expenditures	20	20	20	20	30	30	30	130
	Agriculture:								
44	Expensing of certain capital outlays	70	100	110	120	130	130	130	620
45	Expensing of certain multiperiod production costs	130	160	160	160	160	170	160	810
46	Treatment of loans forgiven for solvent farmers	40	40	40	40	40	40	40	200
47	Capital gains treatment of certain income	880	830	630	760	910	1,030	1,110	4,440
48	Income averaging for farmers	130	130	130	130	140	140	140	680
49	Deferral of gain on sale of farm refiners	20	20	20	20	20	20	20	100
50	Expensing of reforestation expenditures	60	70	80	80	80	90	100	430
	Commerce and housing:								
	Financial institutions and insurance:								
51	Exemption of credit union income	1,440	1,560	1,660	1,750	1,940	1,890	2,220	9,460
52	Exclusion of interest on life insurance savings	17,580	18,350	21,010	23,130	24,670	24,870	26,190	119,870
53	Special alternative tax on small property and casualty insurance companies	10	10	10	10	10	10	10	50
54	Tax exemption of certain insurance companies owned by tax-exempt organizations	800	830	830	830	850	850	850	4,210
55	Small life insurance company deduction	20	20	20	20	20	20	20	100
56	Exclusion of interest spread of financial institutions	150	1,400	2,330	2,660	2,910	3,170	3,400	14,470
	Housing:								
57	Exclusion of interest on owner-occupied mortgage subsidy bonds	1,040	1,170	1,370	1,520	1,630	1,740	1,850	8,110
58	Exclusion of interest on rental housing bonds	880	990	1,170	1,290	1,370	1,470	1,570	6,870
59	Deductibility of mortgage interest on owner-occupied homes	81,890	93,090	101,470	112,730	126,950	142,040	156,990	640,180
60	Deductibility of State and local property tax on owner-occupied homes	15,460	20,310	25,160	26,110	27,330	28,690	29,740	137,030
61	Deferral of income from installment sales	900	1,080	1,160	1,350	1,560	1,730	1,850	7,650
62	Capital gains exclusion on home sales	30,900	38,130	45,870	48,790	52,310	56,070	60,160	263,200
63	Exclusion of net imputed rental income	68,230	74,080	75,520	80,880	88,260	93,330	98,690	436,680
64	Exception from passive loss rules for $25,000 of rental loss	10,200	12,250	14,420	16,070	16,950	17,730	18,510	83,680
65	Credit for low-income housing investments 6/	7,670	7,410	8,310	8,280	8,330	8,730	9,080	42,730
66	Accelerated depreciation on rental housing (normal tax method)	1,200	1,680	2,130	2,570	3,060	3,570	4,130	15,460
67	Discharge of mortgage indebtedness	1,930	650	0	0	0	0	0	0
	Commerce:								
68	Cancellation of indebtedness	150	110	90	70	50	-10	-70	130
69	Exceptions from imputed interest rules	50	50	50	50	50	50	50	250
70	Treatment of qualified dividends	29,750	20,240	0	0	0	0	0	0
71	Capital gains (except agriculture, timber, iron ore, and coal)	65,360	61,840	46,690	56,700	68,130	76,860	82,640	331,020
72	Capital gains exclusion of small corporation stock	50	130	370	720	750	500	410	2,750
73	Step-up basis of capital gains at death	15,490	21,170	27,100	28,460	29,870	31,370	32,970	149,770
74	Carryover basis of capital gains on gifts	2,830	3,550	3,540	4,230	4,980	5,620	6,100	24,470
75	Ordinary income treatment of loss from small business corporation stock sale	60	60	60	60	60	60	60	300
76	Accelerated depreciation of buildings other than rental housing (normal tax method)	-7,120	-7,540	-7,570	-7,370	-7,210	-7,130	-7,100	-36,380
77	Accelerated depreciation of machinery and equipment (normal tax method)	69,500	14,750	17,850	40,260	57,660	72,300	85,660	273,730
78	Expensing of certain small investments (normal tax method)	1,270	-530	-610	530	1,120	1,510	1,800	4,350
79	Graduated corporation income tax rate (normal tax method)	4,270	4,300	4,210	4,180	4,170	4,240	4,250	21,050
80	Exclusion of interest on small issue bonds	240	270	320	350	370	400	420	1,860
81	Deduction for US production activities	11,570	12,860	13,630	14,370	14,790	15,510	16,620	74,920
82	Special rules for certain film and TV production	130	80	50	20	10	0	0	80
	Transportation:								
83	Deferral of tax on shipping companies 7/	60	60	70	70	70	80	80	370
84	Exclusion of reimbursed employee parking expenses	2,640	2,880	3,010	3,140	3,290	3,450	3,610	16,500
85	Exclusion for employer-provided transit passes	590	660	700	760	820	870	930	4,080
86	Tax credit for certain expenditures for maintaining railroad tracks	130	80	50	20	10	0	0	80
87	Exclusion of interest on bonds for Highway Projects and rail-truck transfer facilities	240	230	220	210	200	190	170	990
	Community and regional development:								
88	Investment credit for rehabilitation of structures (other than historic)	30	30	30	30	30	30	30	150
89	Exclusion of interest for airport, dock, and similar bonds	690	780	920	1,010	1,090	1,160	1,230	5,410
90	Exemption of certain mutuals' and cooperatives' income	130	130	140	140	140	150	150	720
91	Empowerment zones and renewal communities	620	420	470	460	420	360	310	2,020
92	New markets tax credit	930	930	910	880	840	710	460	3,800
93	Expensing of environmental remediation costs	-20	-180	-180	-170	-160	-160	-160	-830
94	Credit to holders of Gulf Tax Credit Bonds.	90	100	120	130	140	150	160	700
95	Recovery Zone Bonds 8/	10	10	20	30	30	30	30	140
96	Tribal Economic Development Bonds	0	30	50	50	50	50	60	260
	Education, training, employment, and social services:								
	Education:								
97	Exclusion of scholarship and fellowship income (normal tax method)	2,760	3,020	3,470	3,600	3,740	3,890	4,040	18,740
98	HOPE tax credit	0	430	4,310	4,270	4,150	4,180	4,030	20,940
99	Lifetime Learning tax credit	2,000	2,290	4,450	4,420	4,340	4,260	4,160	21,630
100	American Opportunity Tax Credit 9/	15,580	14,400	0	0	0	0	0	0
101	Education Individual Retirement Accounts	60	80	90	100	110	120	130	550
102	Deductibility of student-loan interest	1,450	1,460	880	880	910	940	910	4,520
103	Deduction for higher education expenses	720	0	0	0	0	0	0	0
104	Qualified tuition programs	1,980	2,020	2,270	2,520	2,690	2,870	3,060	13,410
105	Exclusion of interest on student-loan bonds	470	530	620	680	730	770	830	3,630
106	Exclusion of interest on bonds for private nonprofit educational facilities	2,150	2,440	2,870	3,160	3,400	3,610	3,870	16,910
107	Credit for holders of zone academy bonds 10/	200	200	180	160	130	120	110	700
108	Exclusion of interest on savings bonds redeemed to finance educational expenses	10	10	10	10	20	20	20	80
109	Parental personal exemption for students age 19 or over	2,800	2,700	2,810	2,550	2,300	2,080	1,870	11,610
110	Deductibility of charitable contributions (education)	3,960	4,590	5,080	5,450	5,920	6,430	6,940	29,820
111	Exclusion of employer-provided educational assistance	670	240	0	0	0	0	0	0
112	Special deduction for teacher expenses	170	0	0	0	0	0	0	0
113	Discharge of student loan indebtedness	20	20	20	20	20	20	20	100
114	Qualified school construction bonds 11/	400	580	650	650	650	650	650	3,250
	Training, employment, and social services:								
115	Work opportunity tax credit	1,130	970	660	370	160	80	30	1,300
116	Employer provided child care exclusion	1,360	1,570	1,620	1,720	1,840	1,980	2,120	9,280
117	Employer-provided child care credit	10	10	0	0	0	0	0	0
118	Assistance for adopted foster children	530	530	560	590	630	670	710	3,160
119	Adoption credit and exclusion 12/	62	330	110	80	80	80	80	430
120	Exclusion of employee meals and lodging (other than military)	5,591	6,109	6,592	6,903	7,113	7,336	7,750	35,694
121	Child credit 13/	24,790	18,430	8,650	8,380	8,020	7,670	7,240	39,960
122	Credit for child and dependent care expenses	3,410	1,550	1,290	1,250	1,200	1,150	1,090	5,980
123	Credit for disabled access expenditures	20	20	20	20	20	20	20	100
124	Deductibility of charitable contributions, other than education and health	33,770	39,610	44,060	47,330	51,550	56,130	60,840	259,910
125	Exclusion of certain foster care payments	420	420	420	430	430	420	420	2,120
126	Exclusion of parsonage allowances	700	760	820	890	960	1,040	1,120	4,830
127	Employee retention credit for employers in certain federal disaster areas	10	0	0	0	0	0	0	0
	Health:								
128	Exclusion of employer contributions for medical insurance premiums and medical care 14/	184,320	202,530	212,820	224,610	239,620	256,850	272,360	1,206,260
129	Self-employed medical insurance premiums	5,210	6,140	6,740	7,160	7,650	8,240	8,860	38,650
130	Medical Savings Accounts / Health Savings Accounts	1,520	1,600	1,680	1,760	1,880	2,000	2,130	9,450
131	Deductibility of medical expenses	7,230	8,990	10,270	10,820	11,180	11,360	12,370	56,000
132	Exclusion of interest on hospital construction bonds	3,040	3,430	4,040	4,440	4,760	5,070	5,430	23,740
133	Refundable Premium Assistance Tax Credit 15/	0	0	0	-2,440	-3,810	-4,670	-4,930	-16,070
134	Credit for employee health insurance expenses of small business 16/	190	250	950	1,660	1,690	1,480	1,310	7,090
135	Deductibility of charitable contributions (health)	3,820	4,470	4,980	5,350	5,820	6,340	6,880	29,370
136	Tax credit for orphan drug research	840	1,000	1,190	1,410	1,680	2,010	2,390	8,680
137	Special Blue Cross/Blue Shield deduction	420	500	500	510	490	510	510	2,520
138	Tax credit for health insurance purchased by certain displaced and retired individuals 17/	10	10	0	0	0	0	0	0
139	Distributions from retirement plans for premiums for health and long-term care insurance	330	360	400	440	490	510	530	2,370
	Income security:								
140	Exclusion of railroad retirement system benefits	350	430	510	510	510	500	490	2,520
141	Exclusion of workers' compensation benefits	10,080	9,120	11,440	11,570	11,680	11,800	11,950	58,440
142	Exclusion of public assistance benefits (normal tax method)	720	750	780	810	840	870	910	4,210
143	Exclusion of special benefits for disabled coal miners	40	40	40	40	40	40	40	200
144	Exclusion of military disability pensions	110	150	160	160	160	160	160	800
	Net exclusion of pension contributions and earnings:								
145	Employer plans	38,740	47,410	53,060	57,400	61,810	66,150	69,970	308,390
146	401(k)-type plans	51,830	68,820	79,720	90,870	98,650	103,140	105,490	477,870
147	Individual Retirement Accounts	16,180	21,240	19,260	19,370	20,620	21,970	23,360	104,580
148	Low and moderate income savers credit	1,110	1,180	1,220	1,243	1,250	1,270	1,270	6,253
149	Self-Employed plans	15,930	19,380	23,260	25,490	28,030	30,800	33,760	141,340
	Exclusion of other employee benefits:								
150	Premiums on group term life insurance	1,870	1,910	1,940	1,970	2,030	2,080	2,140	10,160
151	Premiums on accident and disability insurance	340	350	360	360	370	370	380	1,840
152	Income of trusts to finance supplementary unemployment benefits	20	20	30	40	50	60	70	250
153	Special ESOP rules	810	1,190	1,260	1,330	1,410	1,500	1,580	7,080
154	Additional deduction for the blind	30	40	40	50	50	50	50	240
155	Additional deduction for the elderly	2,080	2,870	3,260	3,330	3,400	3,490	3,540	17,020
156	Tax credit for the elderly and disabled	10	10	10	10	10	0	0	30
157	Deductibility of casualty losses	300	350	370	390	410	430	450	2,050
158	Earned income tax credit 18/	1,610	4,040	5,640	5,920	6,060	6,310	6,520	30,450
	Social Security:								
	Exclusion of social security benefits:								
159	Social Security benefits for retired workers	22,170	27,920	32,910	34,330	35,550	36,830	38,340	177,960
160	Social Security benefits for disabled workers	7,510	8,960	9,970	10,280	10,560	10,810	11,060	52,680
161	Social Security benefits for spouses, dependents and survivors	3,740	3,970	4,130	4,230	4,370	4,470	4,550	21,700
	Veterans benefits and services:								
162	Exclusion of veterans death benefits and disability compensation	4,240	5,210	6,880	7,480	8,140	8,860	8,640	41,000
163	Exclusion of veterans pensions	360	430	550	570	580	600	620	2,920
164	Exclusion of GI bill benefits	940	1,200	1,610	1,720	1,830	1,950	2,080	9,190
165	Exclusion of interest on veterans housing bonds	10	10	10	20	20	30	30	110
	General purpose fiscal assistance:								
166	Exclusion of interest on public purpose State and local bonds	25,950	29,270	34,420	37,920	40,680	43,330	46,340	202,690
167	Build America Bonds 19/	0	0	0	0	0	0	0	0
168	Deductibility of nonbusiness State and local taxes other than on owner-occupied homes	29,480	43,940	51,560	54,520	58,200	62,200	65,660	292,140
	Interest:								
169	Deferral of interest on U.S. savings bonds	980	1,020	1,080	1,090	1,100	1,120	1,130	5,520
	Addendum: Aid to State and local governments:								
	Deductibility of:								
	Property taxes on owner-occupied homes	25,950	29,270	34,420	37,920	40,680	43,330	46,340	202,690
	Nonbusiness State and local taxes other than on owner-occupied homes	29,480	43,940	51,560	54,520	58,200	62,200	65,660	292,140
	Exclusion of interest on State and local bonds for:								
	Public purposes	25,950	29,270	34,420	37,920	40,680	43,330	46,340	202,690
	Energy facilities	20	30	30	30	30	40	40	170
	Water, sewage, and hazardous waste disposal facilities	420	470	550	600	650	680	730	3,210
	Small-issues	240	270	320	350	370	400	420	1,860
	Owner-occupied mortgage subsidies	1,040	1,170	1,370	1,520	1,630	1,740	1,850	8,110
	Rental housing	880	990	1,170	1,290	1,370	1,470	1,570	6,870
	Airports, docks, and similar facilities	690	780	920	1,010	1,090	1,160	1,230	5,410
	Student loans	470	530	620	680	730	770	830	3,630
	Private nonprofit educational facilities	2,150	2,440	2,870	3,160	3,400	3,610	3,870	16,910
	Hospital construction	3,040	3,430	4,040	4,440	4,760	5,070	5,430	23,740
	Veterans' housing	10	10	10	20	20	30	30	110
	GO Zone and GO Zone mortgage	90	100	120	130	140	150	160	700
	Credit for holders of zone academy bonds	200	200	180	160	130	120	110	700

1/ Firms can tax an energy grant in lieu of the energy production credit or the energy investment credit for facilities placed in service in 2009 and 2010 or whose construction commenced in 2009
The effect of the grant on outlays (in millions of dollars) is as follows: 2012 $5,080; 2013 $8,080; 2014 $4,710; 2015 $2,521; 2016 $1,580; 2017 $330; 2018 $0.

2/ In addition, the alcohol fuel mixture credit results in a reduction in excise tax receipts (in millions of dollars) as follows:
2012 $3,540; 2013 $0; 2014 $0; 2015 $0; 2016 $0; 2017 $0; 2018 $0.
The alternative fuel mixture credit results in a reduction in excise tax receipts (in millions of dollars) as follows:
2012 $310; 2013 $10; 2014 $10; 2015 $0; 2016 $0; 2017 $0; 2018 $0; 2019 $0.

3/ In addition, the biodiesel producer tax credit results in a reduction in excise tax receipts (in millions of dollars) as follows:
2012 $800; 2013 $0; 2014 $0; 2015 $0; 2016 $0; 2017 $0; 2018 $0.

4/ In addition, the provision has outlay effects of (in millions of dollars):
2012 $40; 2013 $50; 2014 $50; 2015 $50; 2016 $50; 2017 $50; 2018 $50.

5/ In addition, the provision has outlay effects of (in millions of dollars):
2012 $50; 2013 $60; 2014 $60; 2015 $60; 2016 $60; 2017 $60; 2018 $60.

6/ In addition, the credit for low-income housing investments has outlay effects (in millions of dollars) as follows:
2012 $180

7/ These figures do not account for the tonnage tax which shipping companies may opt into in lieu of the corporate income tax.
The tonnage tax reduces the cost of this tax expenditure by $20 per year in each year of the budget.

8/ In addition, recovery zone bonds have outlay effects (in millions of dollars) as follows:
2012 $160; 2013 $160; 2014 $160; 2015 $160; 2016 $160; 2017 $160; 2018 $160.

9/ The figures in the table indicate the effect of the American opportunity tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows:
2012 $5,850; 2013 $6,450; 2014 $970.

10/ In addition, the credit for holders of zone academy bonds has outlay effects of (in millions of dollars):
2012 $20; 2013 $30; 2014 $30; 2015 $30; 2016 $30; 2017 $30; 2018 $30.

11/ In addition, the provision for school construction bonds has outlay effects of (in millions of dollars):
2012 $780; 2013 $940; 2014 $940; 2015 $940; 2016 $940; 2017 $940; 2018 $940.

12/ The figures in the table indicate the effect of the adoption tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows:
2012 $700; 2013 $50.

13/ The figures in the table indicate the effect of the child tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows:
2012 $22,620; 2013 $22,510; 2014 $1,750; 2015 $1,720; 2016 $1,720; 2017 $1,690; 2018 $1,660.

14/ The figures in the table indicate the effect on income taxes of the employer contributions for health. In addition, the effect on payroll tax receipts (in millions of dollars) is as follows:
2012 $107,760; 2013 $111,120; 2014 $112,620; 2015 $116,500; 2016 $122,730; 2017 $130,170; 2018 $135,170.

15/ In addition, the premium assistance credit provision has outlay effects (in millions of dollars) as follows:
2014 $32,270; 2015 $58,130; 2016 $71,471; 2017 $78,130; 2018 $82,150.

16/ In addition, the small business credit provision has outlay effects (in millions of dollars) as follows:
2012 $70; 2013 $60; 2014 $140; 2015 $240; 2016 $250; 2017 $220; 2018 $190.

17/ The figures in the table indicate the effect of the health coverage tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows:
2012 $130; 2013 $120; 2014 $30.

18/ The figures in the table indicate the effect of the earned income tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows:
2012 $54,840; 2013 $54,360; 2014 $47,700; 2015 $49,000; 2016 $49,870; 2017 $50,740; 2018 $51,510.

19/ In addition, Build America Bonds have outlay effects of (in millions of dollars):
2012 $3,190; 2013 $3,190; 2014 $3,190; 2015 $3,190; 2016 $3,190; 2017 $3,190; 2018 $3,190.

Note: Provisions with estimates denoted normal tax method have no revenue loss under the reference tax law method.
All estimates have been rounded to the nearest $10 million. Provisions with estimates that rounded to zero in each year are not included in the table.

Source: Office of Management and Budget, Budget of the United States Government Fiscal Year 2014, Analytical Perspectives, Table 17-1.
Available at http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/spec.pdf

15-Mar-12

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES FOR FISCAL YEARS 2011-2017

(in millions of dollars)

Total from corporations and individuals

		2011	2012	2013	2014	2015	2016	2017	2013-17
	National Defense								
1	Exclusion of benefits and allowances to armed forces personnel	13,250	14,270	14,900	15,380	12,960	12,710	13,030	68,980
	International affairs:								
2	Exclusion of income earned abroad by U.S. citizens	5,550	5,400	5,800	6,140	6,430	6,740	7,050	32,160
3	Exclusion of certain allowances for Federal employees abroad	1,020	1,070	1,120	1,180	1,240	1,300	1,370	6,210
4	Inventory property sales source rules exception	3,160	3,430	3,730	4,050	4,400	4,780	5,180	22,140
5	Deferral of income from controlled foreign corporations (normal tax method)	41,410	42,000	41,810	41,770	43,020	44,240	45,180	216,020
6	Deferred taxes for financial firms on certain income earned overseas	6,180	2,510	0	0	0	0	0	0
	General science, space, and technology:								
7	Expensing of research and experimentation expenditures (normal tax method)	800	3,060	5,070	6,190	6,910	7,420	7,680	33,270
8	Credit for increasing research activities	8,760	6,420	4,230	3,380	2,700	2,160	1,720	14,190
	Energy:								
9	Expensing of exploration and development costs, fuels	500	470	790	880	630	390	260	2,950
10	Excess of percentage over cost depletion, fuels	1,190	1,220	1,260	1,310	1,370	1,430	1,490	6,860
11	Alternative fuel production credit	10	10	10	0	0	0	0	10
12	Exception from passive loss limitation for working interests in oil and gas properties	30	20	30	30	30	20	20	130
13	Capital gains treatment of royalties on coal	60	90	80	60	80	100	110	430
14	Exclusion of interest on energy facility bonds	20	30	30	30	40	40	60	200
15	Energy production credit 1/	1,560	1,710	1,900	1,960	1,940	1,850	1,680	9,330
16	Energy investment credit 1/	700	920	1,510	2,290	2,900	3,250	2,260	12,210
17	Alcohol fuel credits 2/	500	140	110	50	30	10	10	210
18	Bio-Diesel and small agri-biodiesel producer tax credits 3/	20	10	0	0	0	0	0	0
19	Tax credit and deduction for clean-fuel burning vehicles	90	100	180	240	390	620	680	2,110
20	Exclusion of utility conservation subsidies	220	210	210	210	210	200	190	1,020
21	Credit for holding clean renewable energy bonds 4/	70	70	70	70	70	70	70	350
22	Deferral of gain from dispositions of transmission property to implement FERC restructuring policy	120	-70	-180	-190	-180	-150	-120	-820
23	Credit for investment in clean coal facilities	370	400	410	470	510	280	40	1,710
24	Temporary 50% expensing for equipment used in the refining of liquid fuels	670	580	530	-560	-1,170	-990	-830	-3,020
25	Natural gas distribution pipelines treated as 15-year property	120	110	90	80	80	90	100	440
26	Amortize all geological and geophysical expenditures over 2 years	120	150	160	140	90	60	30	480
27	Allowance of deduction for certain energy efficient commercial building property	80	90	100	70	30	10	0	210
28	Credit for construction of new energy efficient homes	50	50	20	20	20	10	0	70
29	Credit for energy efficiency improvements to existing homes	4,370	1,110	0	0	0	0	0	0
30	Credit for energy efficient appliances	280	200	140	120	110	90	0	460
31	Credit for residential energy efficient property	840	950	1,030	1,090	1,160	1,220	500	5,000
32	Qualified energy conservation bonds 5/	10	20	30	30	30	30	30	150
33	Advanced energy property credit	430	460	380	270	120	-10	-60	700
34	Advanced nuclear power production credit	0	0	0	0	0	0	80	80
	Natural resources and environment:								
35	Expensing of exploration and development costs, nonfuel minerals	60	60	70	80	80	90	100	420
36	Excess of percentage over cost depletion, nonfuel minerals	580	580	590	600	610	620	620	3,040
37	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	420	470	580	690	750	790	830	3,640
38	Capital gains treatment of certain timber income	60	90	80	60	80	100	110	430
39	Expensing of multiperiod timber growing costs	250	270	280	290	310	320	320	1,520
40	Tax incentives for preservation of historic structures	510	540	570	610	630	660	700	3,170
41	Exclusion of gain or loss on sale or exchange of certain brownfield sites	60	40	30	10	0	0	0	40
42	Industrial CO2 capture and sequestration tax credit	60	60	60	70	90	220	400	840
43	Deduction for endangered species recovery expenditures	20	20	20	20	20	30	30	120
	Agriculture:								
44	Expensing of certain capital outlays	70	70	110	130	130	140	150	660
45	Expensing of certain multiperiod production costs	130	140	170	180	180	180	190	900
46	Treatment of loans forgiven for solvent farmers	20	20	20	20	20	20	20	100
47	Capital gains treatment of certain income	630	890	830	650	800	960	1,070	4,310
48	Income averaging for farmers	90	90	90	90	100	100	100	480
49	Deferral of gain on sale of farm refiners	20	20	20	20	20	20	20	100
50	Expensing of reforestation expenditures	60	70	80	80	90	90	90	430
	Commerce and housing:								
	Financial institutions and insurance:								
51	Exemption of credit union income	1,110	1,140	1,160	1,120	1,120	1,210	1,520	6,130
52	Exclusion of interest on life insurance savings	22,060	23,570	25,150	26,810	28,350	29,890	30,430	140,630
53	Special alternative tax on small property and casualty insurance companies	40	40	40	40	40	40	40	200
54	Tax exemption of certain insurance companies owned by tax-exempt organizations	200	210	210	210	220	220	220	1,080
55	Small life insurance company deduction	30	30	30	30	30	30	30	150
56	Exclusion of interest spread of financial institutions	260	490	600	690	760	810	870	3,730
	Housing:								
57	Exclusion of interest on owner-occupied mortgage subsidy bonds	1,060	1,170	1,460	1,720	1,890	2,000	2,100	9,170
58	Exclusion of interest on rental housing bonds	900	1,000	1,240	1,470	1,610	1,690	1,780	7,790
59	Deductibility of mortgage interest on owner-occupied homes	72,240	86,910	100,910	110,830	120,240	130,920	143,520	606,420
60	Deductibility of State and local property tax on owner-occupied homes	23,210	16,150	22,320	27,900	29,060	30,080	31,270	140,630
61	Deferral of income from installment sales	970	1,380	1,350	1,180	1,390	1,610	1,770	7,300
62	Capital gains exclusion on home sales	15,060	16,040	23,440	31,610	34,910	38,560	42,580	171,110
63	Exclusion of net imputed rental income	46,950	50,640	51,080	58,740	66,860	75,480	85,220	337,380
64	Exception from passive loss rules for $25,000 of rental loss	11,080	12,550	15,380	18,450	20,680	21,990	23,310	99,810
65	Credit for low-income housing investments 6/	6,150	6,530	7,380	7,930	7,850	7,920	8,320	39,300
66	Accelerated depreciation on rental housing (normal tax method)	-140	-50	90	350	690	1,020	1,330	3,480
67	Discharge of mortgage indebtedness	1,370	1,080	250	0	0	0	0	250
68	Credit for homebuyer 7/	2,400	-2,350	-1,150	-590	-520	-470	-410	-3,140
	Commerce:								
69	Cancellation of indebtedness	690	330	-20	-220	-290	-310	-260	-1,100
70	Exceptions from imputed interest rules	50	50	50	50	50	50	50	250
71	Treatment of qualified dividends	16,550	30,580	21,900	0	0	0	0	21,900
72	Capital gains (except agriculture, timber, iron ore, and coal)	47,390	66,210	62,040	48,300	59,380	71,550	80,200	321,470
73	Capital gains exclusion of small corporation stock	60	60	280	660	1,020	1,060	830	3,850
74	Step-up basis of capital gains at death	3,940	19,940	23,860	36,200	38,370	40,670	43,110	182,210
75	Carryover basis of capital gains on gifts	1,930	1,860	2,070	3,360	3,530	3,650	3,830	16,440
76	Ordinary income treatment of loss from small business corporation stock sale	60	60	60	60	60	60	60	300
77	Accelerated depreciation of buildings other than rental housing (normal tax method)	-7,290	-6,970	-7,370	-7,390	-7,220	-7,010	-6,800	-35,790
78	Accelerated depreciation of machinery and equipment (normal tax method)	118,530	76,280	33,180	48,730	77,350	98,970	116,410	374,640
79	Expensing of certain small investments (normal tax method)	-30	3,060	940	440	1,330	1,570	1,760	6,040
80	Graduated corporation income tax rate (normal tax method)	3,280	3,220	3,300	3,590	3,770	3,960	4,050	18,670
81	Exclusion of interest on small issue bonds	240	270	340	400	430	460	480	2,110
82	Deduction for US production activities	13,130	13,750	14,500	15,330	16,200	17,090	17,960	81,080
83	Special rules for certain film and TV production	160	130	80	50	20	10	0	160
	Transportation:								
84	Deferral of tax on shipping companies 8/	20	20	20	20	20	20	20	100
85	Exclusion of reimbursed employee parking expenses	3,060	3,170	3,290	3,440	3,590	3,750	3,900	17,970
86	Exclusion for employer-provided transit passes	560	570	560	590	630	670	720	3,170
87	Tax credit for certain expenditures for maintaining railroad tracks	160	130	80	50	20	10	0	160
88	Exclusion of interest on bonds for Highway Projects and rail-truck transfer facilities	250	240	230	210	200	190	170	1,000
	Community and regional development:								
89	Investment credit for rehabilitation of structures (other than historic)	20	20	20	20	20	20	20	100
90	Exclusion of interest for airport, dock, and similar bonds	700	780	970	1,160	1,260	1,330	1,410	6,130
91	Exemption of certain mutuals' and cooperatives' income	110	110	120	120	120	130	130	620
92	Empowerment zones and renewal communities	980	670	460	470	480	480	440	2,330
93	New markets tax credit	820	900	930	930	910	830	680	4,280
94	Expensing of environmental remediation costs	200	-20	-170	-160	-140	-130	-130	-730
95	Credit to holders of Gulf Tax Credit Bonds.	80	70	50	50	50	50	40	240
96	Recovery Zone Bonds 9/	0	0	0	0	0	0	0	
97	Tribal Economic Development Bonds	170	380	480	580	630	660	690	3,040
	Education, training, employment, and social services:								
	Education:								
98	Exclusion of scholarship and fellowship income (normal tax method)	3,060	3,170	3,290	3,410	3,530	3,660	3,800	17,690
99	HOPE tax credit	0	0	580	5,780	5,780	5,770	5,800	23,710
100	Lifetime Learning tax credit	2,800	3,250	3,920	5,750	5,810	5,850	5,880	27,210
101	American Opportunity Tax Credit 10/	13,060	14,290	13,710	0	0	0	0	13,710
102	Education Individual Retirement Accounts	70	80	80	90	100	100	110	480
103	Deductibility of student-loan interest	1,400	850	900	960	1,020	1,090	1,160	5,130
104	Deduction for higher education expenses	690	470	0	0	0	0	0	0
105	Qualified tuition programs	1,610	1,780	1,890	1,980	2,070	2,170	2,280	10,390
106	Exclusion of interest on student-loan bonds	480	530	660	780	850	900	940	4,130
107	Exclusion of interest on bonds for private nonprofit educational facilities	2,100	2,320	2,900	3,430	3,760	3,970	4,170	18,230
108	Credit for holders of zone academy bonds 11/	200	200	180	160	130	120	110	700
109	Exclusion of interest on savings bonds redeemed to finance educational expenses	20	20	20	20	30	30	30	130
110	Parental personal exemption for students age 19 or over	5,600	3,120	2,800	3,060	2,780	2,510	2,260	13,410
111	Deductibility of charitable contributions (education)	3,520	3,910	4,610	5,060	5,500	5,930	6,370	27,470
112	Exclusion of employer-provided educational assistance	710	750	40	0	0	0	0	40
113	Special deduction for teacher expenses	190	170	0	0	0	0	0	0
114	Discharge of student loan indebtedness	20	20	20	20	20	20	20	100
115	Qualified school construction bonds 12/	210	400	580	650	650	650	0	2,530
	Training, employment, and social services:								
116	Work opportunity tax credit	1,110	930	620	340	140	70	20	1,190
117	Welfare-to-work tax credit	0	0	0	0	0	0	0	0
118	Employer provided child care exclusion	840	1,350	1,580	1,670	1,780	1,900	2,040	8,970
119	Employer-provided child care credit	10	10	0	0	0	0	0	0
120	Assistance for adopted foster children	500	530	560	600	650	690	730	3,230
121	Adoption credit and exclusion 13/	1,200	760	380	110	80	80	80	730
122	Exclusion of employee meals and lodging (other than military)	9,980	6,620	10,290	10,460	10,640	10,830	11,020	53,240
123	Child credit 14/	23,410	24,470	18,390	9,280	8,900	8,500	8,060	53,130
124	Credit for child and dependent care expenses	4,200	3,400	1,620	1,460	1,380	1,320	1,260	7,040
125	Credit for disabled access expenditures	20	20	20	20	20	20	20	100
126	Deductibility of charitable contributions, other than education and health	29,820	33,290	39,770	43,900	47,800	51,660	55,590	238,720
127	Exclusion of certain foster care payments	410	410	400	410	400	390	380	1,980
128	Exclusion of parsonage allowances	660	710	770	830	900	970	1,050	4,520
129	Employee retention credit for employers in certain federal disaster areas	30	10	0	0	0	0	0	0
130	Exclusion for benefits provided to volunteer EMS and firefighters	20	0	0	0	0	0	0	0
131	Making work pay tax credit 15/	23,528	0	0	0	0	0	0	0
	Health:								
132	Exclusion of employer contributions for medical insurance premiums and medical care 16/	163,040	170,650	180,580	189,670	200,640	213,620	227,810	1,012,320
133	Self-employed medical insurance premiums 17/	5,170	5,520	5,970	6,970	7,750	8,270	8,800	37,760
134	Medical Savings Accounts / Health Savings Accounts	1,880	1,980	2,070	2,210	2,350	2,510	2,680	11,820
135	Deductibility of medical expenses	8,280	9,320	9,910	10,710	12,490	14,420	15,640	63,170
136	Exclusion of interest on hospital construction bonds	3,100	3,440	4,280	5,050	5,550	5,860	6,150	26,890
137	Refundable Premium Assistance Tax Credit 18/	0	0	0	0	-2,440	-3,610	-4,460	-10,510
138	Credit for employee health insurance expenses of small business 19/	830	1,470	1,750	2,500	2,870	2,500	2,060	11,680
139	Deductibility of charitable contributions (health)	3,370	3,760	4,490	4,960	5,400	5,840	6,280	26,970
140	Tax credit for orphan drug research	770	930	1,120	1,360	1,640	1,990	2,410	8,520
141	Special Blue Cross/Blue Shield deduction	715	680	590	530	610	710	690	3,130
142	Tax credit for health insurance purchased by certain displaced and retired individuals 20/	10	10	10	0	0	0	0	10
143	Distributions from retirement plans for premiums for health and long-term care insurance	300	330	360	400	440	490	510	2,200
	Income security:								
144	Exclusion of railroad retirement system benefits	360	340	290	260	250	240	220	1,260
145	Exclusion of workers' compensation benefits	7,050	7,410	7,790	8,170	8,570	9,000	9,440	42,970
146	Exclusion of public assistance benefits (normal tax method)	670	710	750	770	800	840	850	4,010
147	Exclusion of special benefits for disabled coal miners	40	40	40	40	40	40	40	200
148	Exclusion of military disability pensions	120	120	130	130	130	130	140	660
	Net exclusion of pension contributions and earnings:								
149	Employer plans	36,390	44,490	52,330	56,650	59,840	62,960	66,260	298,040
150	401(k)-type plans	53,360	60,090	72,740	81,030	86,740	92,230	96,020	428,760
151	Individual Retirement Accounts	12,840	15,410	19,650	18,450	19,740	20,790	21,450	100,080
152	Low and moderate income savers credit	1,070	1,040	1,130	1,110	1,090	1,110	1,070	5,510
153	Self-Employed plans	15,030	17,070	19,580	20,940	22,450	23,840	25,390	112,200
	Exclusion of other employee benefits:								
154	Premiums on group term life insurance	1,980	2,080	2,120	2,150	2,190	2,250	2,310	11,020
155	Premiums on accident and disability insurance	340	350	360	360	370	370	370	1,830
156	Income of trusts to finance supplementary unemployment benefits	30	30	40	50	60	70	80	300
157	Special ESOP rules	1,500	1,600	1,700	1,700	1,800	1,900	2,000	9,100
158	Additional deduction for the blind	40	30	40	50	50	50	50	240
159	Additional deduction for the elderly	2,390	2,110	2,780	3,350	3,480	3,500	3,490	16,600
160	Tax credit for the elderly and disabled	10	10	10	10	10	10	0	40
161	Deductibility of casualty losses	270	300	350	380	390	420	440	1,980
162	Earned income tax credit 21/	1,172	1,128	3,155	3,265	3,423	3,550	3,769	17,162
	Social Security:								
	Exclusion of social security benefits:								
163	Social Security benefits for retired workers	25,360	25,970	25,620	27,580	29,690	31,970	34,420	149,280
164	Social Security benefits for disabled workers	7,690	8,030	8,230	8,590	9,000	9,430	9,860	45,110
165	Social Security benefits for spouses, dependents and survivors	4,710	4,470	3,890	3,960	4,040	4,110	4,190	20,190
	Veterans benefits and services:								
166	Exclusion of veterans death benefits and disability compensation	5,200	5,880	5,650	6,060	6,210	6,520	6,770	31,210
167	Exclusion of veterans pensions	240	300	340	370	390	420	440	1,960
168	Exclusion of GI bill benefits	810	1,030	1,190	1,280	1,350	1,420	1,470	6,710
169	Exclusion of interest on veterans housing bonds	10	10	20	30	30	30	30	140
	General purpose fiscal assistance:								
170	Exclusion of interest on public purpose State and local bonds	26,190	29,080	36,210	42,770	46,920	49,570	52,030	227,500
171	Build America Bonds 22/	0	0	0	0	0	0	0	0
172	Deductibility of nonbusiness State and local taxes other than on owner-occupied homes	41,060	33,180	46,260	56,980	60,500	63,880	67,430	295,050
	Interest:								
173	Deferral of interest on U.S. savings bonds	1,190	1,200	1,250	1,330	1,340	1,360	1,370	6,650
	Addendum: Aid to State and local governments:								
	Deductibility of:								
	Property taxes on owner-occupied homes	23,210	16,150	22,320	27,900	29,060	30,080	31,270	140,630
	Nonbusiness State and local taxes other than on owner-occupied homes	41,060	33,180	46,260	56,980	60,500	63,880	67,430	295,050
	Exclusion of interest on State and local bonds for:								
	Public purposes	26,190	29,080	36,210	42,770	46,920	49,570	52,030	227,500
	Energy facilities	20	30	30	30	40	40	60	200
	Water, sewage, and hazardous waste disposal facilities	420	470	580	690	750	790	830	3,640
	Small-issues	240	270	340	400	430	460	480	2,110
	Owner-occupied mortgage subsidies	1,060	1,170	1,460	1,720	1,890	2,000	2,100	9,170
	Rental housing	900	1,000	1,240	1,470	1,610	1,690	1,780	7,790
	Airports, docks, and similar facilities	700	780	970	1,160	1,260	1,330	1,410	6,130
	Student loans	480	530	660	780	850	900	940	4,130
	Private nonprofit educational facilities	2,100	2,320	2,900	3,430	3,760	3,970	4,170	18,230
	Hospital construction	3,100	3,440	4,280	5,050	5,550	5,860	6,150	26,890
	Veterans' housing	10	10	20	30	30	30	30	140
	GO Zone and GO Zone mortgage	80	70	50	50	50	50	40	240
	Credit for holders of zone academy bonds	200	200	180	160	130	120	110	700

1/ Firms can tax an energy grant in lieu of the energy production credit or the energy investment credit for facilities placed in service in 2009 and 2010 or whose construction commenced in 2009 The effect of the grant on outlays (in millions of dollars) is as follows: 2011 $3,510; 2012 $4,130; 2013 $3,850; 2014 $3,210; 2015 $1,230; 2016 $290; 2017 $110.

2/ In addition, the alcohol fuel mixture credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2011 $6,520; 2012 $3,590; 2013 $0; 2014 $0; 2015 $0; 2016 $0; 2017 $0. The alternative fuel mixture credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2011 $160; 2012 $170; 2013 $0; 2014 $0; 2015 $0; 2016 $0; 2017 $0.

3/ In addition, the biodiesel producer tax credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2011 $760; 2012 $210; 2013 $0; 2014 $0; 2015 $0; 2016 $0; 2017: $0.

4/ In addition, the provision has outlay effects of (in millions of dollars): 2011 $20 ; 2012 $40; 2013 $50; 2014 $50; 2015 $50; 2016 $50; 2017 $50.

5/ In addition, the provision has outlay effects of (in millions of dollars): 2011 $30 ; 2012 $50; 2013 $60; 2014 $60; 2015 $60; 2016 $60; 2017 $60.

6/ In addition, the credit for low-income housing investments has outlay effects (in millions of dollars) as follows: 2010 $1940; 2011 $3480; 2012 $180.

7/ The figures in the table indicate the effect of the homebuyer credits on receipts. The effect of the credits on outlays (in millions of dollars) is as follows: 2010 $8,670; 2011 $2,760; 2012 $310; 2013 $0; 2014 $0; 2015 $0; 2016 $0; and 2017 $0.

8/ These figures do not account for the tonnage tax which shipping companies may opt into in lieu of the corporate income tax. The tonnage tax reduces the cost of this tax expenditure by $20 per year in each year of the budget.

9/ In addition, recovery zone bonds have outlay effects (in millions of dollars) as follows: 2011 $160, 2012 $160, 2013 $160, 2014 $160, 2015 $160, 2016 $160; and 2017 $160.

10/ The figures in the table indicate the effect of the American opportunity tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2011 $5,770: 2012 $6,560: 2013 $7,850.

11/ In addition, the credit for holders of zone academy bonds has outlay effects of (in millions of dollars): 2011 $10 ; 2012 $20; 2013 $30; 2014 $30; 2015 $30; 2016 $30; 2017 $30.

12/ In addition, the provision for school construction bonds has outlay effects of (in millions of dollars): 2011 $430 ; 2012 $780; 2013 $940; 2014 $940; 2015 $940; 2016 $940; 2017 $940.

13/ The figures in the table indicate the effect of the adoption tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2011 $1,150 and 2012 $540.

14/ The figures in the table indicate the effect of the child tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2011 $22,890; 2012 $22,660; 2013 $22,390; 2014 $1,670; 2015 $1,680; 2016 $1,420; and 2017 $1,650.

15/ The figures in the table indicate the effect of the making work pay tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2011 $13,876.

16/ The figures in the table indicate the effect on income taxes of the employer contributions for health. In addition, the effect on payroll tax receipts (in millions of dollars) is as follows: 2011 $104,800; 2012 $108,850; 2013 $113,690; 2014 $117,160; 2015 $122,260; 2016 $129,280; and 2017 $136,760.

17/ In 2010 only, there is an additional exclusion of self-employed insurance premiums from payroll taxes. The effect on payroll tax receipts FY 2010 (in millions of dollars) is $1,570.

18/ In addition, the premium assistance credit provision has outlay effects (in millions of dollars) as follows: 2014 $21,550; 2015 $43,260; 2016 $55,900; and 2017 $61,800.

19/ In addition, the small business credit provision has outlay effects (in millions of dollars) as follows: 2011 $30; 2012 $110; 2013 $130; 2014 $180; 2015 $210; 2016 $180; and 2017 $150.

20/ The figures in the table indicate the effect of the health coverage tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2011 $190; 2012 $150; 2013 $140; 2014 $40; 2015 $0; 2016 $0; and 2017 $0.

21/ The figures in the table indicate the effect of the earned income tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2011 $55,670; 2012 $52,120; 2013 $52,550; 2014 $46,570; 2015 $47,270; 2016 $47,900; and 2017 $48,790.

22/ In addition, Build America Bonds have outlay effects of (in millions of dollars): 2011 $3,190; 2012 $3,190; 2013 $3,190; 2014 $3,190; 2015 $3,190; 2016 $3,190; and 2017 $3,190.

Note: Provisions with estimates denoted normal tax method have no revenue loss under the reference tax law method.
All estimates have been rounded to the nearest $10 million. Provisions with estimates that rounded to zero in each year are not included in the table.

Source: Office of Management and Budget, Budget of the United States Government Fiscal Year 2012, Analytical Perspectives, Table 17-1.
Available at http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/teb2013.xls

6-Apr-11

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES: 2010-2016

Total from corporations and individuals (in millions of dollars)

		2010	2011	2012	2013	2014	2015	2016	2012-16
	National defense								
1	Exclusion of benefits and allowances to armed forces personnel	12,740	13,290	13,710	12,200	12,680	13,190	13,720	65,500
	International affairs								
2	Exclusion of income earned abroad by U.S. citizens	6,800	5,550	5,400	5,800	6,140	6,430	6,730	30,500
3	Exclusion of certain allowances for Federal employees abroad	970	1,020	1,070	1,120	1,180	1,240	1,300	5,910
4	Inventory property sales source rules exception	2,680	2,910	3,160	3,430	3,730	4,050	4,400	18,770
5	Deferral of income from controlled foreign corporations (normal tax method)	38,130	41,410	42,000	41,810	41,770	43,020	44,240	212,840
6	Deferred taxes for financial firms on certain income earned overseas	2,330	0	0	0	0	0	0	0
	General science, space, and technology								
7	Expensing of research and experimentation expenditures (normal tax method)	3,560	4,610	5,770	6,730	6,970	7,760	7,850	35,080
8	Credit for increasing research activities	5,890	3,850	3,080	2,460	1,960	1,570	1,250	10,320
	Energy								
9	Expensing of exploration and development costs, fuels	400	520	700	540	400	340	320	2,300
10	Excess of percentage over cost depletion, fuels	980	1,070	1,120	1,150	1,170	1,180	1,200	5,820
11	Alternative fuel production credit	170	170	120	90	60	20	0	290
12	Exception from passive loss limitation for working interests in oil and gas properties	30	40	30	30	30	30	30	150
13	Capital gains treatment of royalties on coal	50	50	50	60	60	80	90	340
14	Exclusion of interest on energy facility bonds	20	30	30	30	30	40	40	170
15	Energy production credit [1]	1,540	1,620	1,740	1,900	1,950	1,890	1,770	9,250
16	Energy investment credit [1]	130	170	960	1,690	1,030	480	490	4,650
17	Alcohol fuel credits [2]	70	90	130	110	50	30	10	330
18	Bio-Diesel and small agri-biodiesel producer tax credits [3]	20	10	0	0	0	0	0	0
19	Tax credit and deduction for clean-fuel burning vehicles	250	260	140	170	230	390	660	1,590
20	Exclusion of utility conservation subsidies	220	220	220	220	210	210	210	1,070
21	Credit for holding clean renewable energy bonds [4]	70	70	70	70	70	70	70	350
22	Deferral of gain from dispositions of transmission property to implement FERC restructuring policy	-50	-150	-150	-130	-110	-80	-50	-520
23	Credit for investment in clean coal facilities	240	400	460	450	360	300	200	1,770
24	Temporary 50% expensing for equipment used in the refining of liquid fuels	760	620	520	420	-580	-1,110	-950	-1,700
25	Natural gas distribution pipelines treated as 15-year property	120	120	100	80	80	80	90	430
26	Amortize all geological and geophysical expenditures over 2 years	150	110	90	60	40	30	30	250
27	Allowance of deduction for certain energy efficient commercial building property	60	80	90	100	70	30	10	300
28	Credit for construction of new energy efficient homes	20	20	20	0	0	0	0	20
29	Credit for energy efficiency improvements to existing homes	3,190	5,530	2,270	0	0	0	0	2,270
30	Credit for energy efficient appliances	150	60	0	0	0	0	0	0
31	Credit for residential energy efficient property	220	220	220	230	230	230	240	1,150
32	Qualified energy conservation bonds [5]	0	10	20	30	30	30	30	140
33	Advanced Energy Property Credit	180	600	900	460	-10	-90	-80	1,180
	Natural Resources and Environment								
34	Expensing of exploration and development costs, nonfuel minerals	110	110	130	140	140	150	150	710
35	Excess of percentage over cost depletion, nonfuel minerals	770	790	770	740	750	770	780	3,810
36	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	460	460	550	650	710	750	790	3,450
37	Capital gains treatment of certain timber income	50	50	50	60	60	80	90	340
38	Expensing of multiperiod timber growing costs	230	290	290	300	310	330	310	1,540
39	Tax incentives for preservation of historic structures	390	390	400	410	420	430	430	2,090
40	Exclusion of gain or loss on sale or exchange of certain brownfield sites	70	60	40	30	10	0	0	80
41	Industrial CO_2 capture and sequestration tax credit	20	30	30	40	80	130	170	450
42	Deduction for endangered species recovery expenditures	20	30	30	30	50	50	60	220
	Agriculture								
43	Expensing of certain capital outlays	70	80	100	110	130	130	140	610
44	Expensing of certain multiperiod production costs	140	150	150	170	180	180	180	860
45	Treatment of loans forgiven for solvent farmers	20	20	20	20	20	20	20	100
46	Capital gains treatment of certain income	490	500	520	580	630	780	930	3,440
47	Income averaging for farmers	90	90	90	90	90	100	100	470
48	Deferral of gain on sale of farm refiners	20	20	20	20	20	20	20	100
49	Expensing of reforestation expenditures	50	70	80	80	80	90	90	420
	Commerce and housing								
	Financial institutions and insurance:								
50	Exemption of credit union income	1,270	1,240	1,310	1,470	1,600	1,710	1,830	7,920
51	Exclusion of interest on life insurance savings	19,910	21,210	22,660	24,220	25,830	27,380	28,970	129,060
52	Special alternative tax on small property and casualty insurance companies	40	40	40	40	40	40	40	200
53	Tax exemption of certain insurance companies owned by tax-exempt organizations	200	200	210	210	210	220	220	1,070
54	Small life insurance company deduction	30	30	30	30	30	30	30	150
55	Exclusion of interest spread of financial institutions	-170	300	550	630	700	760	810	3,450
	Housing:								
56	Exclusion of interest on owner-occupied mortgage subsidy bonds	1,230	1,260	1,490	1,760	1,920	2,010	2,120	9,300
57	Exclusion of interest on rental housing bonds	1,050	1,080	1,270	1,500	1,640	1,710	1,800	7,920
58	Deductibility of mortgage interest on owner-occupied homes	79,150	88,720	98,550	110,660	122,970	133,300	143,700	609,180
59	Deductibility of State and local property tax on owner-occupied homes	15,120	19,320	24,910	27,000	28,760	30,250	31,370	142,290
60	Deferral of income from installment sales	620	730	830	1,020	1,230	1,420	1,600	6,100
61	Capital gains exclusion on home sales	22,160	27,650	35,200	38,880	42,940	47,420	52,380	216,820
62	Exclusion of net imputed rental income	41,200	46,950	50,640	51,080	58,740	66,860	75,480	302,800
63	Exception from passive loss rules for $25,000 of rental loss	8,790	10,860	13,110	14,830	16,730	18,880	20,200	83,750
64	Credit for low-income housing investments	5,650	5,990	6,290	7,130	7,430	7,580	7,640	36,070
65	Accelerated depreciation on rental housing (normal tax method)	-1,490	-1,670	-1,580	-1,370	-1,100	-890	-700	-5,640
66	Discharge of mortgage indebtedness	1,480	1,390	1,100	250	0	0	0	1,350
67	Credit for homebuyer	13,680	10,410	-2,160	-1,450	-590	-520	-470	-5,190
	Commerce:								
68	Cancellation of indebtedness	750	430	130	-70	-180	-250	-230	-600
69	Exceptions from imputed interest rules	50	50	50	50	50	50	50	250
70	Treatment of qualified dividends	31,050	23,600	0	0	0	0	0	0
71	Capital gains (except agriculture, timber, iron ore, and coal)	36,300	37,560	38,490	43,260	46,880	58,110	69,540	256,280
72	Capital gains exclusion of small corporation stock	50	170	290	300	470	820	850	2,730
73	Step-up basis of capital gains at death	39,520	50,940	61,480	66,090	71,040	76,370	82,100	357,080
74	Carryover basis of capital gains on gifts	1,400	4,790	1,990	2,660	2,850	3,070	3,290	13,860
75	Ordinary income treatment of loss from small business corporation stock sale	60	60	60	60	60	60	60	300
76	Accelerated depreciation of buildings other than rental housing (normal tax method)	-11,130	-13,010	-13,750	-14,380	-14,970	-15,530	-15,840	-74,470
77	Accelerated depreciation of machinery and equipment (normal tax method)	39,790	17,540	24,450	44,290	58,250	68,740	73,950	269,680
78	Expensing of certain small investments (normal tax method)	950	6,710	-710	-2,820	-840	150	930	-3,290
79	Graduated corporation income tax rate (normal tax method)	3,000	3,280	3,220	3,300	3,590	3,770	3,960	17,840
80	Exclusion of interest on small issue bonds	330	340	400	470	510	530	560	2,470
81	Deduction for U.S. production activities	13,140	13,800	14,630	15,510	16,410	17,290	18,160	82,000
82	Special rules for certain film and TV production	50	30	30	10	0	0	0	40
	Transportation								0
83	Deferral of tax on shipping companies	20	20	20	20	20	20	20	100
84	Exclusion of reimbursed employee parking expenses	2,970	3,050	3,180	3,320	3,470	3,620	3,760	17,350
85	Exclusion for employer-provided transit passes	580	510	520	560	590	640	680	2,990
86	Tax credit for certain expenditures for maintaining railroad tracks	50	30	30	10	0	0	0	40
87	Exclusion of interest on bonds for Highway Projects and rail-truck transfer facilities	240	250	240	230	210	200	190	1,070
	Community and regional development								0
88	Investment credit for rehabilitation of structures (other than historic)	20	20	20	20	20	20	20	100
89	Exclusion of interest for airport, dock, and similar bonds	840	870	1,020	1,210	1,310	1,380	1,450	6,370
90	Exemption of certain mutuals' and cooperatives' income	110	110	110	120	120	120	130	600
91	Empowerment zones and renewal communities	730	500	570	620	630	600	520	2,940
92	New markets tax credit	720	800	810	780	740	660	540	3,530
93	Expensing of environmental remediation costs	10	-130	-140	-140	-130	-120	-110	-640
94	Credit to holders of Gulf Tax Credit Bonds	80	80	70	50	50	50	50	270
95	Recovery Zone Bonds [6]	0	0	0	0	0	0	0	0
96	Tribal Economic Development Bonds	10	30	30	30	20	20	10	110
	Education, training, employment, and social services								
	Education:								
97	Exclusion of scholarship and fellowship income (normal tax method)	2,760	3,010	3,130	3,240	3,360	3,480	3,610	16,820
98	HOPE tax credit	0	540	5,410	5,510	5,830	5,770	5,760	28,280
99	Lifetime Learning tax credit	3,490	3,880	5,530	5,660	5,790	5,800	5,840	28,620
100	American Opportunity Tax Credit	15,110	14,400	0	0	0	0	0	0
101	Education Individual Retirement Accounts	60	70	80	80	90	100	100	450
102	Deductibility of student-loan interest	1,480	1,400	900	960	1,030	1,100	1,170	5,160
103	Deduction for higher education expenses	760	0	0	0	0	0	0	0
104	State prepaid tuition plans	1,390	1,580	1,750	1,860	1,950	2,050	2,150	9,760
105	Exclusion of interest on student-loan bonds	550	560	660	790	860	890	940	4,140
106	Exclusion of interest on bonds for private nonprofit educational facilities	2,340	2,400	2,840	3,360	3,660	3,830	4,020	17,710
107	Credit for holders of zone academy bonds [7]	190	200	200	180	160	130	120	790
108	Exclusion of interest on savings bonds redeemed to finance educational expenses	20	20	20	20	20	30	30	120
109	Parental personal exemption for students age 19 or over	2,960	2,990	3,400	3,210	2,950	2,690	2,440	14,690
110	Deductibility of charitable contributions (education)	3,930	4,520	4,900	5,290	5,660	6,040	6,410	28,300
111	Exclusion of employer-provided educational assistance	660	30	0	0	0	0	0	0
112	Special deduction for teacher expenses	160	0	0	0	0	0	0	0
113	Discharge of student loan indebtedness	20	20	20	20	20	20	20	100
114	Qualified school construction bonds [8]	80	210	400	580	650	650	650	2,930
	Training, employment, and social services:								
115	Work opportunity tax credit	1,110	1,020	680	340	160	70	30	1,280
116	Welfare-to-work tax credit	20	10	0	0	0	0	0	0
117	Employer-provided child care exclusion	1,220	1,380	1,450	1,570	1,690	1,800	1,900	8,410
118	Employer-provided child care credit	10	0	0	0	0	0	0	0
119	Assistance for adopted foster children	460	500	530	560	600	650	690	3,030
120	Adoption credit and exclusion [9]	660	160	190	110	100	100	90	590
121	Exclusion of employee meals and lodging (other than military)	1,060	1,110	1,170	1,230	1,300	1,370	1,440	6,510
122	Child credit [10]	23,030	18,330	10,580	10,290	9,900	9,430	9,000	49,200
123	Credit for child and dependent care expenses	3,470	1,900	1,710	1,660	1,590	1,500	1,440	7,900
124	Credit for disabled access expenditures	20	20	20	20	20	20	20	100
125	Deductibility of charitable contributions, other than education and health	34,080	39,610	43,110	46,570	49,790	53,120	56,340	248,930
126	Exclusion of certain foster care payments	420	410	410	400	410	400	390	2,010
127	Exclusion of parsonage allowances	660	700	750	800	860	920	980	4,310
128	Employee retention credit for employers in certain federal disaster areas	70	30	10	0	0	0	0	10
128	Exclusion for benefits provided to volunteer EMS and firefighters	70	20	0	0	0	0	0	0
130	Making work pay tax credit [11]	38,850	23,460	0	0	0	0	0	0
	Health								
131	Exclusion of employer contributions for medical insurance premiums and medical care [12]	160,110	173,750	184,460	196,220	211,470	230,080	248,980	1,071,210
132	Self-employed medical insurance premiums [13]	5,680	6,210	6,690	7,200	7,740	8,310	8,900	38,840
133	Medical Savings Accounts/Health Savings Accounts	1,790	1,880	1,980	2,070	2,210	2,350	2,510	11,120
134	Deductibility of medical expenses	9,090	10,030	10,010	9,930	11,240	13,390	15,450	60,020
135	Exclusion of interest on hospital construction bonds	3,530	3,630	4,290	5,080	5,520	5,790	6,080	26,760
136	Refundable Premium Assistance Tax Credit [14]	0	0	0	0	0	-1,010	-1,530	-2,540
137	Credit for employee health insurance expenses of small business [15]	2,300	2,420	3,440	3,810	4,460	4,740	4,190	20,640
138	Deductibility of charitable contributions (health)	3,850	4,470	4,870	5,250	5,630	6,000	6,360	28,110
139	Tax credit for orphan drug research	470	550	650	770	900	1,060	1,250	4,630
140	Special Blue Cross/Blue Shield deduction	750	715	680	590	530	610	710	3,120
141	Tax credit for health insurance purchased by certain displaced and retired individuals [16]	0	0	0	0	0	0	0	0
142	Distributions from retirement plans for premiums for health and long-term care insurance	260	300	330	360	400	440	490	2,020
	Income security								
143	Exclusion of railroad retirement system benefits	350	330	310	280	270	260	260	1,380
144	Exclusion of workers' compensation benefits	6,770	7,050	7,410	7,790	8,170	8,570	9,000	40,940
145	Exclusion of public assistance benefits (normal tax method)	640	670	710	750	770	800	830	3,860
146	Exclusion of special benefits for disabled coal miners	40	40	40	40	40	40	40	200
147	Exclusion of military disability pensions	110	110	110	110	110	110	110	550
	Net exclusion of pension contributions and earnings:								
148	Employer plans	39,580	42,200	45,230	46,460	49,460	51,620	53,200	245,970
149	401(k) plans	52,240	62,850	67,590	69,060	71,520	72,880	75,210	356,260
150	Individual Retirement Accounts	12,630	13,930	15,610	16,020	16,220	16,320	16,320	80,490
151	Low and moderate income savers credit	1,130	1,370	1,320	1,320	1,290	1,270	1,290	6,490
152	Keogh plans	13,820	15,030	17,070	19,580	20,940	22,450	23,840	103,880
153	*Exclusion of other employee benefits:*								
154	Premiums on group term life insurance	1,950	1,980	2,080	2,120	2,150	2,190	2,250	10,790
155	Premiums on accident and disability insurance	330	340	350	360	360	370	370	1,810
156	Income of trusts to finance supplementary unemployment benefits	20	30	40	50	60	70	80	300
157	Special ESOP rules	1,400	1,500	1,600	1,700	1,700	1,800	1,900	8,700
158	Additional deduction for the blind	30	40	40	50	50	50	50	240
159	Additional deduction for the elderly	1,890	2,480	2,980	3,170	3,400	3,560	3,590	16,700
160	Tax credit for the elderly and disabled	10	10	10	10	10	0	0	30
161	Deductibility of casualty losses	260	300	320	330	360	380	410	1,800
162	Earned income tax credit [17]	4,910	7,510	8,500	8,730	9,020	9,260	9,550	45,060
163	Exclusion of unemployment insurance benefits	5,220	0	0	0	0	0	0	0
	Social Security								
	Exclusion of social security benefits:								
164	Social Security benefits for retired workers	21,440	20,300	21,830	23,350	25,070	27,780	31,010	129,040
165	Social Security benefits for disabled workers	7,040	7,180	7,510	7,840	8,150	8,610	9,130	41,240
166	Social Security benefits for spouses, dependents and survivors	3,850	3,160	3,270	3,300	3,320	3,580	3,920	17,390
	Veterans benefits and services								
166	Exclusion of veterans death benefits and disability compensation	4,130	4,510	5,010	5,520	6,110	6,750	7,460	30,850
167	Exclusion of veterans pensions	210	240	300	330	360	380	400	1,770
168	Exclusion of GI bill benefits	450	810	1,010	1,200	1,330	1,440	1,560	6,540
169	Exclusion of interest on veterans housing bonds	20	10	20	30	30	30	30	140
	General purpose fiscal assistance								
170	Exclusion of interest on public purpose State and local bonds	30,440	31,260	36,960	43,720	47,570	49,840	52,350	230,440
171	Build America bonds [18]	0	0	0	0	0	0	0	0
172	Deductibility of nonbusiness State and local taxes other than on owner-occupied homes	26,890	37,720	48,640	54,030	59,080	63,470	67,070	292,290
	Interest								
173	Deferral of interest on US savings bonds	1,180	1,220	1,300	1,320	1,330	1,340	1,360	6,650
	Addendum: Aid to State and local governments								
	Deductibility of:								
	Property taxes on owner-occupied homes	15,120	19,320	24,910	27,000	28,760	30,250	31,370	142,290
	Nonbusiness State and local taxes other than on owner-occupied homes	26,890	37,720	48,640	54,030	59,080	63,470	67,070	292,290
	Exclusion of interest on State and local bonds for:								
	Public purposes	30,440	31,260	36,960	43,720	47,570	49,840	52,350	230,440
	Energy facilities	20	30	30	30	30	40	40	170
	Water, sewage, and hazardous waste disposal facilities	460	460	550	650	710	750	790	3,450
	Small-issues	330	340	400	470	510	530	560	2,470
	Owner-occupied mortgage subsidies	1,230	1,260	1,490	1,760	1,920	2,010	2,120	9,300
	Rental housing	1,050	1,080	1,270	1,500	1,640	1,710	1,800	7,920
	Airports, docks, and similar facilities	840	870	1,020	1,210	1,310	1,380	1,450	6,370
	Student loans	550	560	660	790	860	890	940	4,140
	Private nonprofit educational facilities	2,340	2,400	2,840	3,360	3,660	3,830	4,020	17,710
	Hospital construction	3,530	3,630	4,290	5,080	5,520	5,790	6,080	26,760
	Veterans' housing	20	10	20	30	30	30	30	140
	GO Zone and GO Zone mortgage	90	90	100	120	130	140	140	690
	Credit for holders of zone academy bonds	190	200	200	180	160	130	120	790

Footnotes:

[1] Firms can tax an energy grant in lieu of the energy production credit or the energy investment credit for facilities placed in service in 2009 and 2010 whose construction commenced in 2009 and 2010. The effect of the grant on outlays ($ millions) is as follows: 2010 $4,210; 2011 $4,260; 2012 $3,350; 2013 $2,850; 2014 $2,140; 2015 $1,520; 2016 $620.

[2] In addition, the alcohol fuel credit results in a reduction in excise tax receipts ($ millions) as follows: 2010 $5,680; 2011 $2,990; 2012 $0; 2013 $0; 2014 $0; 2015 $0; 2016 $0.

[3] In addition, the biodiesel producer tax credit results in a reduction in excise tax receipts ($ millions) as follows: 2010 $490; 2011 $0; 2012 $0, 2013 $0; 2014 $0; 2015 $0; 2016 $0.

[4] In addition, the provision has outlay effects of ($ million): 2010 $10; 2011 $20; 2012 $30; 2013 $30; 2014 $30; 2015 $30; 2016 $30.

[5] In addition, the provision has outlay effects of ($ million): 2010 $30; 2011 $50; 2012 $60; 2013 $60; 2014 $60; 2015 $60; 2016 $60.

[6] In addition, recovery zone bonds have outlay effects ($ millions) as follow: 2010 $60; 2011 $120; 2012 $130; 2013 $130; 2014 $130; 2015 $130; 2016 $130.

[7] In addition, the credit for holders of zone academy bonds has outlay effects of ($ million): 2010 $10; 2011 $20; 2012 $30; 2013 $30; 2014 $30; 2015 $30; 2016 $30.

[8] In addition, the provision has outlay effects of ($ million): 2010 $460; 2011 $850; 2012 $1,020; 2013 $1,020; 2014 $1,020; 2015 $1,020; 2016 $1,020.

[9] The figures in the table indicate the effect of the adoption tax credit on receipts. The effect of the credit on outlays (in $ millions) is as follows: 2010 $940; 2011 $410.

[10] The figures in the table indicate the effect of the child tax credit on receipts. The effect of the credit on outlays ($ millions) is as follows: 2010 $24,470; 2011 $24,170; 2012 $1,470; 2013 $1,460; 2014 $1,440; 2015 $1,440; 2016 $1,420.

[11] The figures in the table indicate the effect of the making work pay tax credit on receipts. The effect of the credit on outlays ($ millions) is as follows: 2010 $21,410; 2011 $20,490.

[12] The figures in the table indicate the effect on income taxes of the employer contributions for health. In addition, the effect on payroll tax receipts ($ millions) is as follows: 2010 $103,980; 2011 $107,770; 2012 $113,570; 2013 $118,250; 2014 $124,860; 2015 $133,130; 2016 $141,330.

[13] In 2010 only, there is an additional exclusion of self-employed insurance premiums from payroll taxes. The effect on payroll tax receipts FY2010 ($ million) is $1,570.

[14] In addition, the premium assistance credit provision has outlay effects ($ million) as follows: 2014 $16,010; 2015: $32,900; 2016 $43,840.

[15] In addition, the small business credit provision has outlay effects ($ million) as follows: 2011 $180; 2012 $260; 2013 $290; 2014 $340; 2015 $360; 2016 $320.

[16] The figures in the table indicate the effect of the health coverage tax credit on receipts. The effect of the credit on outlays ($ millions) is as follows: 2010 $200; 2011 $150; 2012 $130; 2013 $130; 2014 $140; 2015 $150; and 2016 $150.

[17] The figures in the table indicate the effect of the earned income tax credit on receipts. The effect of the credit on outlays ($ millions) is as follows: 2010 $54,740; 2011 $54,960; 2012 $43,980; 2013 $43,860; 2014 $44,130; 2015 $44,380; 2016 $44,910.

[18] In addition, Build America Bonds have outlay effects of (in millions): 2010 $1,850; 2011 $2,590; 2012 $2,860; 2013 $2,760; 2014 $2,650; 2015 $2,550; 2016 $2,450.

Note: Provisions with estimates denoted normal tax method have no revenue loss under the reference tax law method.

All estimates have been rounded to the nearest $10 million. Provisions with estimates that rounded to zero in each year are not included in the table.

Source: Office of Management and Budget, Budget of the United States Government Fiscal Year 2012, Analytical Perspectives, Table 17-1. Available at http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/spec.pdf (last accessed April 6, 2011).

27-Apr-10

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES: 2009-2015

Total from corporations and individuals (in millions of dollars)

		2009	2010	2011	2012	2013	2014	2015	2011-2015
	National defense								
1	Exclusion of benefits and allowances to armed forces personnel	11,930	12,570	11,530	11,570	11,920	12,370	12,860	60,250
	International affairs								
2	Exclusion of income earned abroad by U.S. citizens	5,320	5,590	5,870	6,160	6,470	6,790	7,130	32,420
3	Exclusion of certain allowances for Federal employees abroad	920	970	1,020	1,070	1,120	1,180	1,240	5,630
4	Inventory property sales source rules exception	2,420	2,620	2,830	3,070	3,320	3,590	3,890	16,700
5	Deferral of income from controlled foreign corporations (normal tax method)	31,580	30,960	32,720	33,870	34,490	33,930	34,130	35,840
6	Deferred taxes for financial firms on certain income earned overseas	5,570	5,460	5,770	5,980	6,090	5,990	6,020	6,320
	General science, space, and technology								
7	Expensing of research and experimentation expenditures (normal tax method)	3,820	3,500	4,560	5,720	6,690	6,930	7,710	31,610
8	Credit for increasing research activities	8,010	5,890	3,850	3,080	2,460	1,964	1,568	12,922
	Energy								
9	Expensing of exploration and development costs, fuels	1,640	2,040	1,180	920	900	680	340	4,020
10	Excess of percentage over cost depletion, fuels	340	610	670	940	1,130	1,160	1,190	5,090
11	Alternative fuel production credit [1]	60	50	20	10	0	0	0	30
12	Exception from passive loss limitation for working interests in oil and gas properties	20	20	20	20	20	20	20	100
13	Capital gains treatment of royalties on coal	70	60	60	60	70	80	100	370
14	Exclusion of interest on energy facility bonds	10	10	30	30	30	30	30	150
15	New technology credit	430	880	1,160	1,430	1,530	1,530	1,500	7,150
16	Energy investment credit [1]	270	530	600	680	420	370	450	2,520
17	Alcohol fuel credits [2]	50	1,200	8,870	10,940	6,690	3,610	2,030	32,140
18	Bio-Diesel and small agri-biodiesel producer tax credits [3]	30	10	10	0	0	0	0	10
19	Tax credit and deduction for clean-fuel burning vehicles	130	240	260	130	170	230	390	1,180
20	Exclusion of utility conservation subsidies	140	140	130	120	120	120	120	610
21	Credit for holding clean renewable energy bonds	70	80	100	120	140	140	140	640
22	Deferral of gain from dispositions of transmission property to implement FERC restructuring policy	–10	–150	–400	–460	–490	–500	–470	–2,320
23	Credit for investment in clean coal facilities	180	290	480	550	440	360	250	2,080
24	Temporary 50% expensing for equipment used in the refining of liquid fuels	770	1,140	930	760	630	–300	–790	1,230
25	Natural gas distribution pipelines treated as 15-year property	80	110	120	110	90	80	80	480
26	Amortize all geological and geophysical expenditures over 2 years	40	150	240	240	190	140	90	900
27	Allowance of deduction for certain energy efficient commercial building property	60	80	90	90	130	80	10	400
28	Credit for construction of new energy efficient homes	30	20	20	20	0	0	0	40
29	Credit for energy efficiency improvements to existing homes	570	1,950	1,460	0	0	0	0	1,460
30	Credit for energy efficient appliances	130	130	50	0	0	0	0	50
31	Credit for residential purchases/installations of solar and fuel cells	110	180	180	180	190	190	190	930
32	Qualified energy conservation bonds	0	10	40	80	110	120	120	470
	Natural resources and environment								
33	Expensing of exploration and development costs, nonfuel minerals	50	90	90	100	100	100	100	490
34	Excess of percentage over cost depletion, nonfuel minerals	700	710	740	750	770	810	830	3,900
35	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	340	310	420	520	550	580	610	2,680
36	Capital gains treatment of certain timber income	70	60	60	60	70	80	100	370
37	Expensing of multiperiod timber growing costs	210	260	290	290	320	310	310	1,520
38	Tax incentives for preservation of historic structures	430	440	470	490	520	540	570	2,590
39	Expensing of capital costs with respect to complying with EPA sulfur regulations	10	0	0	0	0	0	0	0
40	Exclusion of gain or loss on sale or exchange of certain brownfield sites	40	70	60	40	30	10	0	140
41	Industrial CO_2 capture and sequestration tax credit	0	0	0	0	0	60	130	190
42	Deduction for endangered species recovery expenditures	0	20	30	30	30	50	50	190
	Agriculture								
43	Expensing of certain capital outlays	70	70	70	80	90	90	90	420
44	Expensing of certain multiperiod production costs	120	110	110	110	120	120	120	580
45	Treatment of loans forgiven for solvent farmers	20	20	20	20	20	20	20	100
46	Capital gains treatment of certain income	700	610	590	550	680	830	970	3,620
47	Income averaging for farmers	90	90	90	90	90	90	100	460
48	Deferral of gain on sale of farm refiners	20	20	20	20	20	20	20	100
	Commerce and housing								
	Financial institutions and insurance:								
49	Exemption of credit union income	650	650	710	790	880	960	1,030	4,370
50	Exclusion of interest on life insurance savings	20,280	21,140	23,070	24,700	26,420	28,220	29,860	132,270
51	Special alternative tax on small property and casualty insurance companies	40	40	40	50	50	50	60	250
52	Tax exemption of certain insurance companies owned by tax-exempt organizations	190	200	200	210	210	220	220	1,060
53	Small life insurance company deduction	50	50	50	50	50	50	50	250
54	Exclusion of interest spread of financial institutions	–120	520	960	1,070	1,160	1,250	1,330	6,170
	Housing:								
55	Exclusion of interest on owner-occupied mortgage subsidy bonds	960	870	1,190	1,470	1,540	1,610	1,710	7,520
56	Exclusion of interest on rental housing bonds	810	730	1,010	1,240	1,300	1,370	1,450	6,370
57	Deductibility of mortgage interest on owner-occupied homes	79,400	92,180	104,540	116,620	127,840	139,000	149,560	637,560
58	Deductibility of State and local property tax on owner-occupied homes	29,010	18,860	23,710	29,730	31,340	32,700	33,690	151,170
59	Deferral of income from installment sales	720	720	810	880	1,020	1,150	1,260	5,120
60	Capital gains exclusion on home sales	23,500	23,860	31,300	39,510	43,640	48,200	53,230	215,880
61	Exclusion of net imputed rental income	27,040	32,530	37,630	40,810	41,020	48,330	56,100	223,890
62	Exception from passive loss rules for $25,000 of rental loss	6,020	5,910	7,330	8,510	9,670	11,120	13,010	49,640
63	Credit for low-income housing investments	3,800	5,680	6,170	6,660	7,540	7,910	8,030	36,310
64	Accelerated depreciation on rental housing (normal tax method)	3,860	4,640	5,870	7,100	8,380	9,360	9,970	40,680
65	Discharge of mortgage indebtedness	360	260	200	180	120	0	0	500
66	Credit for homebuyer	9,730	16,540	1,530	–1,980	–1,210	–800	–490	–2,950
	Commerce:								
67	Cancellation of indebtedness	300	130	–10	–50	–30	0	40	–50
68	Exceptions from imputed interest rules	50	50	50	50	50	50	50	250
69	Treatment of qualified dividends	22,425	38,012	26,869	0	0	0	0	26,869
70	Capital gains (except agriculture, timber, iron ore, and coal)	52,590	45,360	44,290	41,090	51,120	62,230	72,180	270,910
71	Capital gains exclusion of small corporation stock	50	50	170	290	300	470	690	1,920
72	Step-up basis of capital gains at death	41,370	36,740	44,520	53,270	57,260	61,560	66,180	282,790
73	Carryover basis of capital gains on gifts	1,630	1,430	4,790	2,050	2,740	2,940	3,160	15,680
74	Ordinary income treatment of loss from small business corporation stock sale	50	60	60	60	60	60	60	300
75	Accelerated depreciation of buildings other than rental housing (normal tax method)	–9,350	–11,080	–12,860	–13,960	–15,530	–16,360	–17,540	–76,250
76	Accelerated depreciation of machinery and equipment (normal tax method)	57,400	10,470	1,170	14,120	30,710	44,310	56,400	146,710
77	Expensing of certain small investments (normal tax method)	–130	410	–3,200	–2,820	–710	210	760	–5,760
78	Graduated corporation income tax rate *(normal tax method)*	2,720	2,860	3,120	3,070	3,150	3,420	3,600	16,360
79	Exclusion of interest on small issue bonds	250	230	320	400	420	430	460	2,030
80	Deduction for U.S. production activities	9,020	11,530	13,640	14,420	15,290	16,210	17,120	76,680
81	Special rules for certain film and TV production	60	50	–60	–110	–90	–60	–50	–370
	Transportation								
82	Deferral of tax on shipping companies	20	20	20	20	20	20	20	100
83	Exclusion of reimbursed employee parking expenses	2,960	3,020	3,100	3,190	3,320	3,460	3,590	16,660
84	Exclusion for employer-provided transit passes	540	560	530	560	600	640	670	3,000
85	Tax credit for certain expenditures for maintaining railroad tracks	80	110	70	30	10	10	0	120
86	Exclusion of interest on bonds for Financing of Highway Projects and rail-truck transfer facilities	90	100	100	90	60	60	60	370
	Community and regional development								
87	Investment credit for rehabilitation of structures (other than historic)	30	30	30	30	30	30	30	150
88	Exclusion of interest for airport, dock, and similar bonds	680	610	850	1,040	1,090	1,140	1,210	5,330
89	Exemption of certain mutuals' and cooperatives' income	110	110	110	110	120	120	120	580
90	Empowerment zones and renewal communities	1,130	750	430	580	680	740	730	3,160
91	New markets tax credit	580	720	800	810	780	740	660	3,790
92	Expensing of environmental remediation costs	290	20	–140	–140	–140	–130	–120	–670
93	Credit to holders of Gulf Tax Credit Bonds	30	80	80	70	50	50	50	300
94	Recovery Zone Bonds [4]	0	0	30	40	40	40	40	190
95	Tribal Economic Development Bonds	0	140	390	470	490	520	550	2,420
	Education, training, employment, and social services								
	Education:								
96	Exclusion of scholarship and fellowship income (normal tax method)	2,080	2,160	2,250	2,340	2,440	2,540	2,650	12,220
97	HOPE tax credit	2,920	0	840	4,250	4,460	4,680	4,900	19,130
98	Lifetime Learning tax credit	3,860	2,910	3,360	4,780	5,010	5,250	5,510	23,910
99	American Opportunity Tax Credit	2,460	13,590	11,380	0	0	0	0	11,380
100	Education Individual Retirement Accounts	40	60	70	80	80	90	100	420
101	Deductibility of student-loan interest	1,250	1,260	1,130	590	610	640	660	3,630
102	Deduction for higher education expenses	1,790	520	0	0	0	0	0	0
103	State prepaid tuition plans	1,200	1,390	1,580	1,750	1,860	1,950	2,050	9,190
104	Exclusion of interest on student-loan bonds	440	400	550	670	710	740	780	3,450
105	Exclusion of interest on bonds for private nonprofit educational facilities	1,780	1,610	2,220	2,720	2,850	3,000	3,170	13,960
106	Credit for holders of zone academy bonds	190	220	260	290	280	250	230	1,310
107	Exclusion of interest on savings bonds redeemed to finance educational expenses	20	20	20	20	20	20	20	100
108	Parental personal exemption for students age 19 or over	4,440	2,710	2,780	3,140	2,950	2,750	2,550	14,170
109	Deductibility of charitable contributions (education)	4,170	4,290	4,940	5,370	5,800	6,190	6,610	28,910
110	Exclusion of employer-provided educational assistance	660	690	30	0	0	0	0	30
111	Special deduction for teacher expenses	180	160	0	0	0	0	0	0
112	Discharge of student loan indebtedness	20	20	20	20	20	20	20	100
113	Qualified school construction bonds	20	110	310	630	940	1,060	1,060	4,000
	Training, employment, and social services:								
114	Work opportunity tax credit	870	910	830	540	260	130	60	1,820
115	Welfare-to-work tax credit	50	30	10	10	0	0	0	20
116	Employer-provided child care exclusion	770	1,210	1,370	1,410	1,480	1,550	1,630	7,440
117	Employer-provided child care credit	10	20	10	0	0	0	0	10
118	Assistance for adopted foster children	450	460	490	520	550	580	610	2,750
119	Adoption credit and exclusion	530	580	460	90	90	90	90	820
120	Exclusion of employee meals and lodging (other than military)	1,010	1,060	1,110	1,170	1,230	1,300	1,370	6,180
121	Child credit [5]	25,640	23,450	18,550	10,870	10,610	10,320	9,990	60,340
122	Credit for child and dependent care expenses	4,330	3,750	2,200	1,890	1,830	1,730	1,650	9,300
123	Credit for disabled access expenditures	20	20	20	30	30	30	30	140
124	Deductibility of charitable contributions, other than education and health	36,710	37,720	43,850	47,730	51,570	55,140	58,850	257,140
125	Exclusion of certain foster care payments	440	420	400	390	390	390	370	1,940
126	Exclusion of parsonage allowances	580	620	660	700	740	790	840	3,730
127	Employee retention credit for employers in certain federal disaster areas	140	40	0	0	0	0	0	0
128	Exclusion for benefits provided to volunteer EMS and firefighters	80	80	60	0	0	0	0	60
129	Temporary income exclusion for employer provided lodging in Midwestern disaster area	20	0	0	0	0	0	0	0
130	Making work pay tax credit [6]	9,340	23,450	14,160	0	0	0	0	14,160
	Health								
131	Exclusion of employer contributions for medical insurance premiums and medical care [7]	144,412	159,868	176,964	191,540	208,650	228,040	248,600	1,053,794
132	Self-employed medical insurance premiums	4,870	5,250	5,740	6,150	6,580	7,120	7,780	33,370
133	Medical Savings Accounts/Health Savings Accounts	1,930	2,030	2,130	2,240	2,350	2,470	2,590	11,780
134	Deductibility of medical expenses	8,760	9,090	10,030	10,980	11,970	13,260	14,910	61,150
135	Exclusion of interest on hospital construction bonds	2,690	2,440	3,350	4,110	4,310	4,540	4,790	21,100
136	Deductibility of charitable contributions (health)	4,150	4,260	4,950	5,380	5,810	6,230	6,640	29,010
137	Tax credit for orphan drug research	270	290	320	350	380	410	450	1,910
138	Special Blue Cross/Blue Shield deduction	760	890	690	660	590	530	690	3,160
139	Tax credit for health insurance purchased by certain displaced and retired individuals [8]	10	10	10	10	10	10	10	50
140	Distributions from retirement plans for premiums for health and long-term care insurance	260	300	330	360	400	440	490	2,020
	Income security								
141	Exclusion of railroad retirement system benefits	330	320	300	280	260	250	250	1,340
142	Exclusion of workers' compensation benefits	5,810	5,870	5,940	6,070	6,170	6,270	6,370	30,820
143	Exclusion of public assistance benefits (normal tax method)	600	640	670	710	740	760	790	3,670
144	Exclusion of special benefits for disabled coal miners	40	40	40	40	40	40	40	200
145	Exclusion of military disability pensions	110	110	110	110	110	110	120	560
	Net exclusion of pension contributions and earnings:								
146	Employer plans	40,670	41,360	44,630	47,870	49,050	51,950	53,980	247,480
147	401(k) plans	44,126	53,549	67,061	70,168	72,716	74,712	76,183	360,840
148	Individual Retirement Accounts	12,090	12,780	14,080	15,770	16,190	16,400	16,500	78,940
149	Low and moderate income savers credit	1,050	1,180	1,170	1,130	1,060	1,000	960	5,320
150	Keogh plans	12,770	13,890	15,120	17,190	19,740	21,100	22,610	95,760
	Exclusion of other employee benefits:								
151	Premiums on group term life insurance	2,160	2,110	2,160	2,280	2,320	2,350	2,390	11,500
152	Premiums on accident and disability insurance	320	330	340	350	360	360	360	1,770
153	Income of trusts to finance supplementary unemployment benefits	30	40	50	50	50	50	60	260
154	Special ESOP rules	1,700	1,700	1,800	1,900	2,000	2,100	2,200	10,000
155	Additional deduction for the blind	40	30	40	50	50	50	50	240
156	Additional deduction for the elderly	2,230	2,030	2,600	3,100	3,300	3,550	3,690	16,240
157	Tax credit for the elderly and disabled	10	10	10	10	10	10	10	50
158	Deductibility of casualty losses	510	560	640	680	720	750	780	3,570
159	Earned income tax credit [9]	4,420	6,190	6,200	8,380	8,540	8,790	9,090	41,000
160	Additional exemption for housing Hurricane Katrina displaced individuals	10	0	0	0	0	0	0	0
161	Exclusion of unemployment insurance benefits	1,310	5,220	0	0	0	0	0	0
	Social Security								
	Exclusion of social security benefits:								
162	Social Security benefits for retired workers	20,970	21,410	20,240	21,380	22,560	24,160	26,810	115,150
163	Social Security benefits for disabled workers	6,460	6,950	7,160	7,450	7,750	8,080	8,580	39,020
164	Social Security benefits for spouses, dependents and survivors	3,650	3,850	3,140	3,150	3,170	3,200	3,330	15,990
165	Tax Credit for Certain Government Retirees [10]	40	110	0	0	0	0	0	0
	Veterans benefits and services								
166	Exclusion of veterans death benefits and disability compensation	3,900	4,130	4,370	4,630	4,910	5,200	5,510	24,620
167	Exclusion of veterans pensions	190	200	220	250	260	270	270	1,270
168	Exclusion of GI bill benefits	300	470	770	1,010	1,270	1,570	1,910	6,530
169	Exclusion of interest on veterans housing bonds	20	30	30	40	50	60	60	240
	General purpose fiscal assistance								
170	Exclusion of interest on public purpose State and local bonds	22,990	20,810	28,660	35,130	36,900	38,780	40,910	180,380
171	Build America bonds [11]	–200	–1,300	–2,120	–2,110	–2,030	–1,960	–1,880	–10,100
172	Deductibility of nonbusiness State and local taxes other than on owner-occupied homes	45,310	33,920	46,500	58,100	61,890	65,320	68,250	300,060
	Interest								
173	Deferral of interest on US savings bonds	1,270	1,180	1,220	1,300	1,320	1,330	1,340	6,510
	Addendum: Aid to State and local governments								
	Deductibility of:								
	Property taxes on owner-occupied homes	29,010	18,860	23,710	29,730	31,340	32,700	33,690	151,170
	Nonbusiness State and local taxes other than on owner-occupied homes	45,310	33,920	46,500	58,100	61,890	65,320	68,250	300,060
	Exclusion of interest on State and local bonds for:								
	Public purposes	22,990	20,810	28,660	35,130	36,900	38,780	40,910	180,380
	Energy facilities	10	10	30	30	30	30	30	150
	Water, sewage, and hazardous waste disposal facilities	340	310	420	520	550	580	610	2,680
	Small-issues	250	230	320	400	420	430	460	2,030
	Owner-occupied mortgage subsidies	960	870	1,190	1,470	1,540	1,610	1,710	7,520
	Rental housing	810	730	1,010	1,240	1,300	1,370	1,450	6,370
	Airports, docks, and similar facilities	680	610	850	1,040	1,090	1,140	1,210	5,330
	Student loans	440	400	550	670	710	740	780	3,450
	Private nonprofit educational facilities	1,780	1,610	2,220	2,720	2,850	3,000	3,170	13,960
	Hospital construction	2,690	2,440	3,350	4,110	4,310	4,540	4,790	21,100
	Veterans' housing	10	10	20	20	20	20	20	100
	GO Zone and GO Zone mortgage	80	70	90	110	120	120	130	610
	Credit for holders of zone academy bonds	190	220	260	290	280	250	230	1,310

[1] Firms can tax an energy grant in lieu of the energy production credit or the energy investment credit for facilities placed in service in 2009 and 2010 whose construction commenced in 2009 and 2010. The effect of the grant on outlays (in millions) is as follows: 2009 $1,050; 2010 $3,090; 2011 $4,460; 2012 $4,240; 2013 $2,360; 2014 $230; and 2015 $30.

[2] In addition, the alcohol fuel credit results in a reduction in excise tax receipts (in millions) as follows: 2009 $5,160; 2010 $6,100; 2011 $1,940; 2012 $0; 2013 $0; 2014 $0; and 2015 $0.

[3] In addition, the biodiesel producer tax credit results in a reduction in excise tax receipts (in millions) as follows: 2009 $810; 2010 $200; 2011 $0; 2012 $0; 2013 $0; 2014 $0; and 2015 $0.

[4] In addition, recovery zone bonds have outlay effects (in millions) as follows: 2009 $0; 2010 $80; 2011 $150; 2012 $170; 2013 $170; 2014 $270; and 2015 $170.

[5] The figures in the table indicate the effect of the child tax credit on receipts. The effect of the credit on outlays (in millions) is as follows: 2009 $19,150; 2010 $30,290; 2011 $29,790; 2012 $1,490; 2013 $1,460; 2014 $1,420; and 2015 $1,380.

[6] The figures in the table indicate the effect of the making work pay tax credit on receipts. The effect of the credit on outlays (in millions) is as follows: 2009 $645; 2010 $32,528; and 2011 $31,490.

[7] The figures in the table indicate the effect on income taxes of the employer contributions for health. In addition, the effect on payroll tax receipts (in millions) is as follows: 2009 $97,130; 2010 $101,710; 2011 $106,730; 2012 $113,570; 2013 $121,770; 2014 $130,860; and 2015 $140,400.

[8] The figures in the table indicate the effect of the health insurance tax credit on receipts. The effect of the credit on outlays (in millions) is as follows: 2009 $100; 2010 $110; 2011 $110; 2012 $120; 2013 $130; 2014 $140; and 2015 $150.

[9] The figures in the table indicate the effect of the earned income tax credit on receipts. The effect of the credit on outlays (in millions) is as follows: 2009 $44,370; 2010 $51,500; 2011 $51,450; 2012 $43,980; 2013 $43,860; 2014 $44,130; and 2015 $44,380.

[10] The figures in the table indicate the effect of the tax credit for certain government retirees on receipts. The effect of the credit on outlays (in millions) is as follows: 2010 $99.

[11] In addition, Build America Bonds have outlay effects of (in millions): 2009 $20; 2010 $2,900; 2011 $3,050; 2012 $2,960; 2013 $2,850; 2014 $2,740; and 2015 $2,640.

Note: Provisions with estimates denoted normal tax method have no revenue loss under the reference tax law method.

All estimates have been rounded to the nearest $10 million. Provisions with estimates that rounded to zero in each year are not included in the table.

Source: Office of Management and Budget, Budget of the United States Government Fiscal Year 2011, Analytical Perspectives, Table 16-1.
Available at http://www.gpoaccess.gov/usbudget/fy11/pdf/spec.pdf (last accessed April 16, 2010).

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES: 2008-2014
Total from corporations and individuals (in millions of dollars)

		2008	2009	2010	2011	2012	2013	2014	2010-2014
	National defense								
1	Exclusion of benefits and allowances to armed forces personnel	11,190	11,710	10,210	10,550	10,900	11,270	11,660	54,590
	International affairs								
2	Exclusion of income earned abroad by U.S. citizens	5,070	5,320	5,590	5,870	6,160	6,470	6,790	30,880
3	Exclusion of certain allowances for Federal employees abroad	880	920	970	1,020	1,070	1,120	1,180	5,360
4	Inventory property sales source rules exception	2,200	2,440	2,640	2,860	3,100	3,360	3,640	15,600
5	Deferral of income from controlled foreign corporations (normal tax method)	31,580	30,960	32,720	33,870	34,490	33,930	34,130	169,140
6	Deferred taxes for financial firms on certain income earned overseas	5,570	5,460	5,770	5,980	6,090	5,990	6,020	29,850
	General science, space, and technology								
7	Expensing of research and experimentation expenditures (normal tax method)	5,180	3,820	3,500	4,560	5,720	6,690	6,930	27,400
8	Credit for increasing research activities	7,440	8,010	5,880	3,850	3,080	2,460	1,960	17,230
	Energy								
9	Expensing of exploration and development costs, fuels	1,650	2,480	2,390	1,850	1,580	1,260	940	8,020
10	Excess of percentage over cost depletion, fuels	920	1,360	1,350	1,370	1,380	1,390	1,400	6,890
11	Alternative fuel production credit	590	70	80	10	10	0	0	100
12	Exception from passive loss limitation for working interests in oil and gas properties	10	10	10	10	10	10	10	50
13	Capital gains treatment of royalties on coal	110	110	140	110	110	130	140	630
14	Exclusion of interest on energy facility bonds	10	20	20	30	30	30	30	140
15	New technology credit	920	1,130	1,180	1,180	1,150	1,140	1,120	5,770
16	Energy investment credit [1]	50	50	50	50	50	50	50	250
17	Alcohol fuel credits [1]	50	60	90	190	390	230	0	900
18	Bio-Diesel and small agri-biodiesel producer tax credits [2]	40	30	20	0	0	0	0	20
19	Tax credit and deduction for clean-fuel burning vehicles	170	90	80	40	10	60	100	290
20	Exclusion of utility conservation subsidies	120	120	110	110	110	110	110	550
21	Credit for holding clean renewable energy bonds	40	70	70	70	70	70	70	350
22	Deferral of gain from dispositions of transmission property to implement FERC restructuring policy	–30	–50	–120	–320	–400	–480	–490	–1,810
23	Credit for investment in clean coal facilities	30	200	290	260	240	230	210	1,230
24	Temporary 50% expensing for equipment used in the refining of liquid fuels	350	750	890	900	800	700	630	3,920
25	Natural gas distribution pipelines treated as 15-year property	80	90	110	120	110	100	90	530
26	Amortize all geological and geophysical expenditures over 2 years	20	90	130	120	90	60	40	440
27	Allowance of deduction for certain energy efficient commercial building property	170	200	210	190	200	20	60	680
28	Credit for construction of new energy efficient homes	30	20	10	0	0	0	0	10
29	Credit for energy efficiency improvements to existing homes	230	380	150	0	0	0	0	150
30	Credit for energy efficient appliances	120	130	130	50	0	0	0	180
31	Credit for residential purchases/installations of solar and fuel cells	20	30	20	0	0	0	0	20
32	Partial expensing for advanced mine safety equipment	20	0	0	0	0	0	0	0
33	Qualified energy conservation bonds	0	0	10	30	40	40	40	160
	Natural resources and environment								
34	Expensing of exploration and development costs, nonfuel minerals	210	220	230	230	240	250	250	1,200
35	Excess of percentage over cost depletion, nonfuel minerals	720	740	770	790	810	850	860	4,080
36	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	170	370	390	410	450	460	470	2,180
37	Capital gains treatment of certain timber income	110	110	140	110	110	130	140	630
38	Expensing of multiperiod timber growing costs	290	290	310	310	320	340	340	1,620
39	Tax incentives for preservation of historic structures	480	500	520	550	580	610	640	2,900
40	Expensing of capital costs with respect to complying with EPA sulfur regulations	30	50	30	–10	0	0	0	20
41	Exclusion of gain or loss on sale or exchange of certain brownfield sites	30	40	40	40	30	30	30	170
42	Industrial CO_2 capture and sequestration tax credit	0	0	0	40	130	240	290	700
43	Deduction for endangered species recovery expenditures	0	10	20	20	30	30	30	130
	Agriculture								
44	Expensing of certain capital outlays	110	110	110	120	120	120	120	590
45	Expensing of certain multiperiod production costs	80	80	80	80	90	90	90	430
46	Treatment of loans forgiven for solvent farmers	10	10	10	20	20	20	20	90
47	Capital gains treatment of certain income	1,160	1,130	1,390	1,190	1,140	1,300	1,460	6,480
48	Income averaging for farmers	80	80	80	80	80	80	80	400
49	Deferral of gain on sale of farm refiners	20	20	20	20	20	20	20	100
	Commerce and housing								
	Financial institutions and insurance:								
50	Exemption of credit union income	1,140	1,190	1,230	1,280	1,330	1,380	1,430	6,650
51	Exclusion of interest on life insurance savings	21,190	22,790	24,450	26,770	29,830	32,580	34,860	148,490
52	Special alternative tax on small property and casualty insurance companies	40	40	40	40	50	50	60	240
53	Tax exemption of certain insurance companies owned by tax-exempt organizations	190	190	200	200	210	210	220	1,040
54	Small life insurance company deduction	50	50	50	50	50	50	50	250
55	Exclusion of interest spread of financial institutions	270	220	240	280	290	310	320	1,930
	Housing:								
56	Exclusion of interest on owner-occupied mortgage subsidy bonds	460	990	1,030	1,110	1,180	1,220	1,270	5,810
57	Exclusion of interest on rental housing bonds	410	890	930	1,000	1,060	1,090	1,120	5,200
58	Deductibility of mortgage interest on owner-occupied homes	88,500	97,280	107,980	119,750	131,230	139,990	147,130	646,080
59	Deductibility of State and local property tax on owner-occupied homes	29,130	20,850	14,980	24,550	30,630	31,870	32,540	134,570
60	Deferral of income from installment sales	1,230	1,250	1,370	1,500	1,650	1,810	1,950	8,280
61	Capital gains exclusion on home sales	30,090	27,980	30,460	39,530	49,550	54,720	60,440	234,700
62	Exclusion of net imputed rental income	–1,720	–5,850	–2,200	2,230	3,680	4,390	5,720	13,820
63	Exception from passive loss rules for $25,000 of rental loss	8,430	8,840	9,160	9,580	10,090	10,240	10,620	49,690
64	Credit for low-income housing investments	3,210	3,750	4,340	4,920	5,520	6,130	6,730	27,640
65	Accelerated depreciation on rental housing (normal tax method)	9,690	10,150	10,770	13,620	14,610	15,770	17,090	71,860
66	Discharge of mortgage indebtedness	310	330	260	190	140	80	0	670
67	Credit for first-time homebuyer	9,530	1,230	–1,350	–1,400	–1,400	–1,060	–910	–6,120
	Commerce:								
68	Cancellation of indebtedness	60	30	20	40	50	40	30	180
69	Exceptions from imputed interest rules	50	50	50	50	50	50	50	250
70	Capital gains (except agriculture, timber, iron ore, and coal) [3]	24,240	23,640	28,920	24,840	23,890	27,270	30,480	135,400
71	Capital gains exclusion of small corporation stock	60	60	60	200	340	350	370	1,320
72	Step-up basis of capital gains at death	21,590	19,530	20,830	25,210	31,720	34,100	36,650	148,510
73	Carryover basis of capital gains on gifts	670	730	710	2,370	1,030	1,370	1,470	6,950
74	Ordinary income treatment of loss from small business corporation stock sale	50	50	60	60	60	60	60	300
75	Accelerated depreciation of buildings other than rental housing (normal tax method)	–6,640	–6,640	–6,560	–7,370	–7,360	–7,360	–7,340	–35,990
76	Accelerated depreciation of machinery and equipment (normal tax method)	55,890	–11,140	–3,820	–1,190	6,010	10,940	15,130	27,070
77	Expensing of certain small investments (normal tax method)	930	90	910	–3,400	–1,680	–850	–260	–5,280
78	Graduated corporation income tax rate (normal tax method)	2,460	2,460	2,880	3,090	3,120	3,300	3,310	15,700
79	Exclusion of interest on small issue bonds	140	320	330	350	380	390	400	1,850
80	Deduction for U.S. production activities	10,660	10,820	14,140	16,890	17,910	19,010	20,010	87,960
81	Special rules for certain film and TV production	70	60	–50	–100	–80	–50	–40	–320
	Transportation								
82	Deferral of tax on shipping companies	20	20	20	20	20	20	20	100
83	Exclusion of reimbursed employee parking expenses	2,920	3,000	3,120	3,270	3,400	3,520	3,630	16,940
84	Exclusion for employer-provided transit passes	480	500	530	570	600	630	660	2,990
85	Tax credit for certain expenditures for maintaining railroad tracks	180	180	70	20	10	10	0	110
86	Exclusion of interest on bonds for Financing of Highway Projects and rail-truck transfer facilities	80	90	100	100	90	60	60	410
	Community and regional development								
87	Investment credit for rehabilitation of structures (other than historic)	40	40	40	40	40	50	50	220
88	Exclusion of interest for airport, dock, and similar bonds	380	820	850	920	990	1,020	1,050	4,830
89	Exemption of certain mutuals' and cooperatives' income	70	70	70	70	70	80	80	370
90	Empowerment zones and renewal communities	–1,650	–1,960	–1,150	–420	–680	–830	–940	–4,020
91	New markets tax credit	990	1,110	1,050	920	810	580	300	3,660
92	Expensing of environmental remediation costs	590	290	20	–140	–140	–140	–130	–530
93	Credit to holders of Gulf Tax Credit Bonds	10	30	80	80	70	50	50	330
	Education, training, employment, and social services								
	Education:								
94	Exclusion of scholarship and fellowship income (normal tax method)	2,000	2,080	2,160	2,250	2,340	2,440	2,540	11,730
95	HOPE tax credit	3,770	3,800	3,890	4,650	5,100	5,340	5,580	24,560
96	Lifetime Learning tax credit	2,470	2,460	2,510	2,980	3,260	3,410	3,570	15,730
97	Education Individual Retirement Accounts	30	40	60	70	80	80	90	380
98	Deductibility of student-loan interest	1,250	1,260	1,270	1,220	970	980	990	5,430
99	Deduction for higher education expenses	1,550	1,680	1,430	0	0	0	0	1,430
100	State prepaid tuition plans	1,030	1,250	1,480	1,700	1,900	2,030	2,140	9,250
101	Exclusion of interest on student-loan bonds	210	470	490	530	560	590	600	2,770
102	Exclusion of interest on bonds for private nonprofit educational facilities	860	1,870	1,960	2,110	2,260	2,320	2,390	11,040
103	Credit for holders of zone academy bonds	160	170	170	170	160	140	130	770
104	Exclusion of interest on savings bonds redeemed to finance educational expenses	20	20	20	20	20	20	20	100
105	Parental personal exemption for students age 19 or over	4,690	2,670	1,660	2,680	3,060	2,860	2,640	12,900
106	Deductibility of charitable contributions (education)	4,330	4,880	5,270	5,670	6,110	6,600	7,010	30,660
107	Exclusion of employer-provided educational assistance	650	680	710	40	0	0	0	750
108	Special deduction for teacher expenses	180	180	160	0	0	0	0	160
109	Discharge of student loan indebtedness	20	20	20	20	20	20	20	100
	Training, employment, and social services:								
110	Work opportunity tax credit	490	740	790	700	520	260	110	2,380
111	Welfare-to-work tax credit	80	50	20	10	10	0	0	40
112	Employer-provided child care exclusion	940	1,240	1,480	1,490	1,550	1,620	1,700	7,840
113	Employer-provided child care credit	20	20	30	10	0	0	0	40
114	Assistance for adopted foster children	430	450	480	510	550	580	620	2,740
115	Adoption credit and exclusion	470	480	500	470	90	100	100	1,260
116	Exclusion of employee meals and lodging (other than military)	970	1,010	1,060	1,110	1,170	1,230	1,300	5,870
117	Child credit [4]	28,420	27,250	27,032	20,250	10,072	9,580	9,120	76,054
118	Credit for child and dependent care expenses	3,020	3,670	2,070	1,920	1,710	1,600	1,520	8,820
119	Credit for disabled access expenditures	30	30	30	30	30	30	30	150
120	Deductibility of charitable contributions, other than education and health	38,200	43,370	46,980	50,550	54,600	59,070	62,790	273,990
121	Exclusion of certain foster care payments	480	480	480	480	480	480	480	2,400
122	Exclusion of parsonage allowances	550	580	620	660	700	740	790	3,510
123	Employee retention credit for employers in certain Federal disaster areas	30	140	40	0	0	0	0	40
124	Exclusion for benefits provided to volunteer EMS and firefighters	20	80	80	60	0	0	0	140
125	Temporary income exclusion for employer provided lodging in Midwestern disaster area								
	Health								
126	Exclusion of employer contributions for medical insurance premiums and medical care [5]	131,080	142,010	155,050	169,190	184,860	199,900	214,740	923,740
127	Self-employed medical insurance premiums	5,080	5,470	6,020	6,680	7,490	8,250	9,100	37,540
128	Medical Savings Accounts/Health Savings Accounts	1,830	1,930	2,030	2,130	2,240	2,350	2,470	11,220
129	Deductibility of medical expenses	9,320	9,660	10,760	12,540	14,750	16,850	19,260	74,160
130	Exclusion of interest on hospital construction bonds	1,350	2,940	3,070	3,310	3,530	3,640	3,750	17,300
131	Deductibility of charitable contributions (health)	4,310	4,890	5,300	5,700	6,160	6,660	7,080	30,900
132	Tax credit for orphan drug research	290	320	360	410	460	510	570	2,310
133	Special Blue Cross/Blue Shield deduction	620	600	650	660	670	680	690	3,350
134	Tax credit for health insurance purchased by certain displaced and retired individuals [6]	0	10	10	10	10	10	10	50
135	Distributions from retirement plans for premiums for health and long-term care insurance	240	280	310	340	380	420	460	1,910
	Income security								
136	Exclusion of railroad retirement system benefits	390	390	370	370	370	360	350	1,820
137	Exclusion of workers' compensation benefits	5,830	5,920	6,010	6,110	6,200	6,300	6,400	31,020
138	Exclusion of public assistance benefits (normal tax method)	560	590	620	650	690	740	780	3,480
139	Exclusion of special benefits for disabled coal miners	40	40	40	40	40	40	40	200
140	Exclusion of military disability pensions	110	130	150	180	220	260	320	1,130
	Net exclusion of pension contributions and earnings:								
141	Employer plans	46,120	45,670	44,370	42,420	42,230	41,620	43,600	214,240
142	401(k) plans	47,000	50,000	53,000	66,000	72,000	75,000	77,000	343,000
143	Individual Retirement Accounts	11,700	12,700	13,500	14,800	16,500	17,000	17,200	79,000
144	Low and moderate income savers credit	890	980	1,050	1,050	1,010	940	920	4,970
145	Keogh plans	12,000	13,000	14,000	15,000	17,000	20,000	21,000	87,000
	Exclusion of other employee benefits:								
146	Premiums on group term life insurance	2,230	2,250	2,320	2,460	2,480	2,490	2,510	12,260
147	Premiums on accident and disability insurance	310	320	330	340	350	360	360	1,740
148	Income of trusts to finance supplementary unemployment benefits	30	30	40	40	50	50	50	230
149	Special ESOP rules	1,600	1,700	1,800	1,900	1,900	2,000	2,100	10,600
150	Additional deduction for the blind	40	30	30	40	50	50	50	220
151	Additional deduction for the elderly	2,250	1,940	1,940	2,730	3,290	3,470	3,570	15,000
152	Tax credit for the elderly and disabled	10	10	10	10	10	10	10	50
153	Deductibility of casualty losses	540	580	620	690	740	780	810	3,640
154	Earned income tax credit [7]	5,380	5,740	6,130	6,390	8,530	8,790	9,140	38,980
155	Additional exemption for housing Hurricane Katrina displaced individuals	20	10	0	0	0	0	0	0
	Social Security								
	Exclusion of social security benefits:								
156	Social Security benefits for retired workers	19,700	20,610	19,330	20,420	23,130	25,350	25,750	113,980
157	Social Security benefits for disabled	5,420	5,770	5,840	6,230	6,750	7,090	7,140	33,050
158	Social Security benefits for dependents and survivors	3,570	3,610	3,280	3,350	3,670	3,880	3,800	17,980
	Veterans benefits and services								
159	Exclusion of veterans death benefits and disability compensation	3,870	3,950	4,140	4,480	4,850	5,260	5,690	24,420
160	Exclusion of veterans pensions	180	180	180	190	220	220	220	1,030
161	Exclusion of GI bill benefits	280	280	290	300	330	330	340	1,590
162	Exclusion of interest on veterans housing bonds	10	20	30	30	30	30	30	150
	General purpose fiscal assistance								
163	Exclusion of interest on public purpose State and local bonds	11,110	24,610	25,730	27,820	29,810	30,700	31,620	145,680
164	Deductibility of nonbusiness State and local taxes other than on owner-occupied homes	49,140	36,270	30,290	48,750	60,350	63,330	65,390	268,110
	Interest								
165	Deferral of interest on US savings bonds	1,310	1,320	1,330	1,380	1,470	1,490	1,500	7,170
	Addendum: Aid to State and local governments								
	Deductibility of:								
	Property taxes on owner-occupied homes	29,130	20,850	14,980	24,550	30,630	31,870	32,540	134,570
	Nonbusiness State and local taxes other than on owner-occupied homes	49,140	36,270	30,290	48,750	60,350	63,330	65,390	268,110
	Exclusion of interest on State and local bonds for:								
	Public purposes	11,110	24,610	25,730	27,820	29,810	30,700	31,620	145,680
	Energy facilities	10	20	20	30	30	30	30	140
	Water, sewage, and hazardous waste disposal facilities	170	370	390	410	450	460	470	2,180
	Small-issues	140	320	330	350	380	390	400	1,850
	Owner-occupied mortgage subsidies	460	990	1,030	1,110	1,180	1,220	1,270	5,810
	Rental housing	410	890	930	1,000	1,060	1,090	1,120	5,200
	Airports, docks, and similar facilities	380	820	850	920	990	1,020	1,050	4,830
	Student loans	210	470	490	530	560	590	600	2,770
	Private nonprofit educational facilities	860	1,870	1,960	2,110	2,260	2,320	2,390	11,040
	Hospital construction	1,350	2,940	3,070	3,310	3,530	3,640	3,750	17,300
	Veterans' housing	10	20	30	30	30	30	30	150
	GO Zone and GO Zone mortgage	0	10	10	10	10	10	20	60
	Credit for holders of zone academy bonds	160	170	170	170	160	140	130	770

[1] In addition, the alcohol fuel credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2008 $4,410; 2009 $4,730; 2010 $5,230; 2011 $1,630; 2012 $0; 2013 $0; and 2014 $0.

[2] In addition, the bio-diesel producer tax credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2008 $940; 2009 $780; 2010 $70; 2011 $60; 2012 $40; 2013 $40; and 2014 $10.

[3] An alternative calculation for this tax expenditure based on pre-2005 methodology is shown in Table 19-4.

[4] The figures in the table indicate the effect of the child tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2008 $34,020; 2009 $26,940; 2010 $17,230; 2011 $16,740; 2012 $1,510; 2013 $1,490; and 2014 $1,480.

[5] The figures in the table indicate the effect on income taxes of the employer contributions for health. In addition the effect on payroll tax receipts (in millions of dollars) is as follows: 2008 $83,150; 2009 $86,490; 2010 $91,460; 2011 $97,820; 2012 $104,660; 2013 $111,000; and 2014 $117,560.

[6] The figures in the table indicate the effect of the health insurance tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2007 $100; 2008 $110; 2009 $120; 2010 $130; 2011 $140; 2012 $150; and 2013 $160.

[7] The figures in the table indicate the effect of the earned income tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2008 $45,282; 2009 $42,271; 2010 $49,733; 2011 $50,954; 2012 $45,837; 2013 $46,667; and 2014 $47,974.

Note: Provisions with estimates denoted normal tax method have no revenue loss under the reference tax law method.

All estimates have been rounded to the nearest $10 million. Provisions with estimates that rounded to zero in each year are not included in the table.

Source: Office of Management and Budget, Budget of the United States Government Fiscal Year 2010, Analytical Perspectives, Table 19-1.
Available at http://www.gpoaccess.gov/usbudget/fy10/pdf/spec.pdf (last accessed May 15, 2009).

11-Feb-08

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES: 2007-2013
Total from corporations and individuals (in millions of dollars)

		2007	2008	2009	2010	2011	2012	2013	2009-2013
	National defense								
1	Exclusion of benefits and allowances to armed forces personnel	3,220	3,350	3,480	3,620	3,780	3,930	4,090	18,900
	International affairs								
2	Exclusion of income earned abroad by U.S. citizens	2,630	2,760	2,900	3,050	3,200	3,360	3,530	16,040
3	Exclusion of certain allowances for Federal employees abroad	840	880	920	970	1,020	1,070	1,120	5,100
4	Inventory property sales source rules exception	1,940	2,180	2,410	2,610	2,820	3,060	3,310	14,210
5	Deferral of income from controlled foreign corporations (normal tax method)	12,490	13,120	13,780	14,480	15,220	15,990	16,810	76,280
6	Deferred taxes for financial firms on certain income earned overseas	2,370	2,490	1,060	.....	.....	.....	.....	1,060
	General science, space, and technology								
7	Expensing of research and experimentation expenditures (normal tax method)	5,190	4,720	4,990	4,470	4,320	4,400	4,420	22,600
8	Credit for increasing research activities	10,320	4,660	2,100	920	360	70	.....	3,450
	Energy								
9	Expensing of exploration and development costs, fuels	530	510	460	390	310	240	150	1,550
10	Excess of percentage over cost depletion, fuels	790	910	950	910	880	850	840	4,430
11	Alternative fuel production credit	2,920	1,310	70	80	10	10	.....	170
12	Exception from passive loss limitation for working interests in oil and gas properties	30	20	20	20	30	30	30	130
13	Capital gains treatment of royalties on coal	180	190	190	200	190	140	150	870
14	Exclusion of interest on energy facility bonds	30	30	30	30	30	30	30	150
15	New technology credit	410	800	1,000	1,030	1,010	1,000	970	5,010
16	Alcohol fuel credits [1]	40	40	50	50	30	.....	.....	130
17	Bio-Diesel and small agri-biodiesel producer tax credits	180	200	30	20	10	10	10	80
18	Tax credit and deduction for clean-fuel burning vehicles	260	150	130	–20	–50	–60	–50	–50
19	Exclusion of utility conservation subsidies	120	120	120	110	110	110	110	560
20	Credit for holding clean renewable energy bonds	20	40	70	70	70	70	70	350
21	Deferral of gain from dispositions of transmission property to implement FERC restructuring policy	610	250	–60	–290	–490	–590	–570	–2,000
22	Credit for investment in clean coal facilities	30	50	80	130	180	245	290	925
23	Temporary 50% expensing for equipment used in the refining of liquid fuels	30	120	240	260	180	–50	–160	470
24	Natural gas distribution pipelines treated as 15-year property	60	80	90	110	120	110	100	530
25	Amortize all geological and geophysical expenditures over 2 years	50	40	30	10	10	10	10	70
26	Allowance of deduction for certain energy efficient commercial building property	190	170	90	30	.....	.....	.....	120
27	Credit for construction of new energy efficient homes	20	30	20	10	.....	.....	.....	30
28	Credit for energy efficiency improvements to existing homes	380	150	.....	.....	.....	.....	.....	.....
29	Credit for energy efficient appliances	80	.....	.....	.....	.....	.....	.....	.....
30	30% credit for residential purchases/installations of solar and fuel cells	10	10	10	.....	.....	.....	.....	10
31	Credit for business installation of qualified fuel cells and stationary microturbine power plants	80	130	50	–10	–10	–10	–10	10
32	Partial expensing for advanced mine safety equipment	10	20	.....	.....	.....	.....	.....	.....
	Natural resources and environment								
33	Expensing of exploration and development costs, nonfuel minerals	10	10	10	10	10	10	10	50
34	Excess of percentage over cost depletion, nonfuel minerals	380	400	410	440	450	460	480	2,240
35	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	370	390	410	420	430	440	450	2,150
36	Capital gains treatment of certain timber income	180	190	190	200	190	140	150	870
37	Expensing of multiperiod timber growing costs	290	290	310	310	320	340	340	1,620
38	Tax incentives for preservation of historic structures	400	430	440	470	490	520	540	2,460
39	Expensing of capital costs with respect to complying with EPA sulfur regulations	10	30	50	30	–10	.....	.....	70
40	Exclusion of gain or loss on sale or exchange of certain brownfield sites	10	30	40	40	40	30	30	180
	Agriculture								
41	Expensing of certain capital outlays	110	110	110	120	120	120	120	590
42	Expensing of certain multiperiod production costs	80	80	80	80	90	90	90	430
43	Treatment of loans forgiven for solvent farmers	10	10	10	20	20	20	20	90
44	Capital gains treatment of certain income	980	1,030	1,030	1,090	1,060	760	800	4,740
45	Income averaging for farmers	80	80	80	80	80	80	80	400
46	Deferral of gain on sale of farm refiners	20	20	20	20	20	20	20	100
	Commerce and housing								
	Financial institutions and insurance:								
47	Exemption of credit union income	1,310	1,380	1,450	1,530	1,610	1,690	1,780	8,060
48	Excess bad debt reserves of financial institutions	20	10	10	10	.....	.....	.....	20
49	Exclusion of interest on life insurance savings	19,910	21,840	23,500	25,200	27,600	30,750	33,590	140,640
50	Special alternative tax on small property and casualty insurance companies	40	40	40	40	40	50	50	220
51	Tax exemption of certain insurance companies owned by tax-exempt organizations	180	190	190	200	200	210	210	1,010
52	Small life insurance company deduction	50	50	50	50	50	60	60	270
53	Exclusion of interest spread of financial institutions	520	450	480	500	630	660	690	2,960
	Housing:								
54	Exclusion of interest on owner-occupied mortgage subsidy bonds	900	960	990	1,020	1,060	1,090	1,120	5,280
55	Exclusion of interest on rental housing bonds	830	880	900	930	960	990	1,020	4,800
56	Deductibility of mortgage interest on owner-occupied homes	84,850	94,790	100,810	107,020	115,280	123,130	130,440	576,680
57	Deductibility of State and local property tax on owner-occupied homes	19,120	16,360	16,640	16,820	28,230	34,570	35,400	131,660
58	Deferral of income from installment sales	1,210	1,230	1,250	1,370	1,500	1,650	1,810	7,580
59	Capital gains exclusion on home sales	31,480	33,050	34,710	36,440	38,260	40,180	42,180	191,770
60	Exclusion of net imputed rental income	3,890	5,440	7,550	10,478	14,543	20,183	28,012	80,766
61	Exception from passive loss rules for $25,000 of rental loss	7,840	8,430	8,840	9,160	9,580	10,090	10,240	47,910
62	Credit for low-income housing investments	5,030	5,380	5,780	6,180	6,520	6,840	7,120	32,440
63	Accelerated depreciation on rental housing (normal tax method)	9,860	10,780	11,760	12,720	14,570	16,160	17,550	72,760
64	Discharge of mortgage indebtedness	.....	293	239	176	.....	.....	.....	415
	Commerce:								
65	Cancellation of indebtedness	110	90	60	40	30	30	30	190
66	Exceptions from imputed interest rules	50	50	50	50	50	50	50	250
67	Capital gains (except agriculture, timber, iron ore, and coal)	53,230	55,540	55,940	59,170	57,490	41,390	43,240	257,230
68	Capital gains exclusion of small corporation stock	270	320	340	370	490	540	590	2,330
69	Step-up basis of capital gains at death	32,600	35,900	36,750	37,950	39,450	41,010	42,632	197,792
70	Carryover basis of capital gains on gifts	650	760	800	1,270	6,340	1,500	1,600	11,510
71	Ordinary income treatment of loss from small business corporation stock sale	50	50	50	60	60	60	60	290
72	Accelerated depreciation of buildings other than rental housing (normal tax method)	–4,610	–4,420	–4,140	–3,850	–3,920	–3,750	–3,110	–18,770
73	Accelerated depreciation of machinery and equipment (normal tax method)	26,410	35,180	44,120	49,760	53,330	58,440	64,390	270,040
74	Expensing of certain small investments (normal tax method)	3,660	3,660	3,400	500	–950	–960	–60	1,930
75	Graduated corporation income tax rate (normal tax method)	5,400	5,220	5,290	5,510	5,660	5,840	6,090	28,390
76	Exclusion of interest on small issue bonds	350	380	390	410	420	420	440	2,080
77	Deduction for U.S. production activities	9,800	14,020	15,330	21,110	26,030	27,710	29,090	119,270
78	Special rules for certain film and TV production	90	70	–40	–90	–60	–50	–40	–280
	Transportation								
79	Deferral of tax on shipping companies	20	20	20	20	20	20	20	100
80	Exclusion of reimbursed employee parking expenses	2,830	2,950	3,070	3,200	3,310	3,430	3,540	16,550
81	Exclusion for employer-provided transit passes	420	440	470	500	520	550	580	2,620
82	Tax credit for certain expenditures for maintaining railroad tracks	130	130	40	20	10	10	.....	80
83	Exclusion of interest on bonds for Financing of Highway Projects and rail-truck transfer facilities	40	80	90	100	100	90	60	440
	Community and regional development								
84	Investment credit for rehabilitation of structures (other than historic)	40	40	40	40	40	40	40	200
85	Exclusion of interest for airport, dock, and similar bonds	850	900	930	960	990	1,020	1,050	4,950
86	Exemption of certain mutuals' and cooperatives' income	70	70	70	70	70	70	80	360
87	Empowerment zones and renewal communities	1,450	1,550	1,760	1,170	480	660	790	4,860
88	New markets tax credit	810	990	970	860	730	590	340	3,490
89	Expensing of environmental remediation costs	300	130	–40	–20	–20	–20	–10	–110
90	Credit to holders of Gulf Tax Credit Bonds	10	10	10	10	10	10	10	50
	Education, training, employment, and social services								
	Education:								
91	Exclusion of scholarship and fellowship income (normal tax method)	1,870	1,960	2,050	2,150	2,250	2,360	2,470	11,280
92	HOPE tax credit	3,370	3,380	3,640	3,750	4,400	4,790	4,980	21,560
93	Lifetime Learning tax credit	2,210	2,220	2,340	2,420	2,810	3,050	3,180	13,800
94	Education Individual Retirement Accounts	20	30	50	60	70	80	90	350
95	Deductibility of student-loan interest	810	820	830	840	780	530	540	3,520
96	Deduction for higher education expenses	1,450	1,180	.....	.....	.....	.....	.....	.....
97	State prepaid tuition plans	850	1,040	1,290	1,600	2,020	2,280	2,430	9,620
98	Exclusion of interest on student-loan bonds	440	460	480	490	510	520	540	2,540
99	Exclusion of interest on bonds for private nonprofit educational facilities	1,750	1,870	1,930	1,980	2,050	2,110	2,170	10,240
100	Credit for holders of zone academy bonds	140	160	170	170	170	160	140	810
101	Exclusion of interest on savings bonds redeemed to finance educational expenses	20	20	20	20	20	20	20	100
102	Parental personal exemption for students age 19 or over	2,690	1,880	1,760	1,710	2,790	3,130	2,860	12,250
103	Deductibility of charitable contributions (education)	4,330	4,880	5,270	5,670	6,110	6,600	7,010	30,660
104	Exclusion of employer-provided educational assistance	630	660	690	730	40	.....	.....	1,460
105	Special deduction for teacher expenses	170	160	.....	.....	.....	.....	.....	.....
106	Discharge of student loan indebtedness	20	20	20	20	20	20	20	100
	Training, employment, and social services:								
107	Work opportunity tax credit	370	490	600	680	670	500	260	2,710
108	Welfare-to-work tax credit	80	80	50	20	10	10	.....	90
109	Employer-provided child care exclusion	1,170	1,340	1,400	1,470	1,480	1,520	1,600	7,470
110	Employer-provided child care credit	10	10	10	20	10	.....	.....	40
111	Assistance for adopted foster children	350	380	420	450	480	520	560	2,430
112	Adoption credit and exclusion	370	380	400	410	370	70	80	1,330
113	Exclusion of employee meals and lodging (other than military)	930	970	1,010	1,060	1,110	1,170	1,230	5,580
114	Child credit [2]	30,910	30,160	29,950	29,870	23,270	13,590	13,080	109,760
115	Credit for child and dependent care expenses	2,780	1,810	1,720	1,650	1,560	1,410	1,340	7,680
116	Credit for disabled access expenditures	30	30	30	30	30	30	30	150
117	Deductibility of charitable contributions, other than education and health	38,200	43,370	46,980	50,550	54,600	59,070	62,790	273,990
118	Exclusion of certain foster care payments	420	420	420	420	420	420	420	2,100
119	Exclusion of parsonage allowances	510	550	580	610	640	670	700	3,200
120	Employee retention credit for employers affected by Hurricane Katrina, Rita, and Wilma	30	10	.....	.....	.....	.....	.....	.....
121	Exclusion for benefits provided to volunteer EMS and firefighters	.....	23	78	82	59	.....	.....	219
	Health								
122	Exclusion of employer contributions for medical insurance premiums and medical care	133,790	151,810	168,460	185,250	210,110	233,320	254,810	1,051,950
123	Self-employed medical insurance premiums	4,260	4,680	5,170	5,710	6,590	7,450	8,180	33,100
124	Medical Savings Accounts/Health Savings Accounts	760	1,140	1,480	1,590	1,620	1,540	1,450	7,680
125	Deductibility of medical expenses	4,470	5,060	5,920	6,800	9,150	10,550	11,490	43,910
126	Exclusion of interest on hospital construction bonds	2,760	2,950	3,040	3,120	3,210	3,310	3,410	16,090
127	Deductibility of charitable contributions (health)	4,310	4,890	5,300	5,700	6,160	6,660	7,080	30,900
128	Tax credit for orphan drug research	260	290	320	360	410	460	510	2,060
129	Special Blue Cross/Blue Shield deduction	620	640	650	660	670	680	680	3,340
130	Tax credit for health insurance purchased by certain displaced and retired individuals [3]	10	10	10	10	10	20	20	70
131	Distributions from retirement plans for premiums for health and long-term care insurance	250	240	280	310	340	380	420	1,730
	Income security								
132	Exclusion of railroad retirement system benefits	380	370	370	360	360	350	330	1,770
133	Exclusion of workers' compensation benefits	5,740	5,830	5,920	6,010	6,110	6,200	6,300	30,540
134	Exclusion of public assistance benefits (normal tax method)	470	490	510	530	550	580	600	2,770
135	Exclusion of special benefits for disabled coal miners	50	40	40	40	40	40	40	200
136	Exclusion of military disability pensions	100	110	130	150	180	220	260	940
	Net exclusion of pension contributions and earnings:								
137	Employer plans	47,060	46,120	45,670	44,370	42,420	42,230	41,620	216,310
138	401(k) plans	46,000	49,000	51,000	55,000	68,000	74,000	77,000	325,000
139	Individual Retirement Accounts	9,500	10,800	11,700	12,200	13,400	14,900	15,200	67,400
140	Low and moderate income savers credit	760	880	900	880	870	880	860	4,390
141	Keogh plans	11,000	12,000	13,000	14,000	16,000	18,000	21,000	82,000
	Exclusion of other employee benefits:								
142	Premiums on group term life insurance	2,100	2,170	2,250	2,290	2,400	2,570	2,620	12,130
143	Premiums on accident and disability insurance	300	310	320	330	340	350	360	1,700
144	Income of trusts to finance supplementary unemployment benefits	30	30	30	40	40	50	50	210
145	Special ESOP rules	1,500	1,600	1,700	1,800	1,900	1,900	2,000	9,300
146	Additional deduction for the blind	30	30	30	30	40	40	40	180
147	Additional deduction for the elderly	1,590	1,610	1,710	1,850	2,460	2,920	3,070	12,010
148	Tax credit for the elderly and disabled	10	10	10	10	10	10	10	50
149	Deductibility of casualty losses	560	600	630	670	730	760	790	3,580
150	Earned income tax credit [4]	4,990	5,200	5,440	5,720	5,860	7,890	8,170	33,080
151	Additional exemption for housing Hurricane Katrina displaced individuals	20	.....	.....	.....	.....	.....	.....	.....
	Social Security								
	Exclusion of social security benefits:								
152	Social Security benefits for retired workers	17,690	18,480	18,640	19,720	20,760	22,650	24,320	106,090
153	Social Security benefits for disabled	5,050	5,540	5,810	6,150	6,590	7,110	7,560	33,220
154	Social Security benefits for dependents and survivors	3,270	3,320	3,240	3,340	3,400	3,600	3,740	17,320
	Veterans benefits and services								
155	Exclusion of veterans death benefits and disability compensation	3,760	3,870	3,950	4,140	4,480	4,850	5,260	22,680
156	Exclusion of veterans pensions	180	180	180	180	190	220	220	990
157	Exclusion of GI bill benefits	250	280	280	290	300	330	330	1,530
158	Exclusion of interest on veterans housing bonds	30	30	30	30	30	30	30	150
	General purpose fiscal assistance								
159	Exclusion of interest on public purpose State and local bonds	23,540	25,140	25,900	26,670	27,470	28,300	29,150	137,490
160	Deductibility of nonbusiness state and local taxes other than on owner-occupied homes	37,500	32,730	33,200	34,450	54,470	66,030	68,390	256,540
	Interest								
161	Deferral of interest on US savings bonds	1,290	1,310	1,320	1,330	1,380	1,470	1,490	6,990
	Addendum: Aid to State and local governments								
	Deductibility of:								
	Property taxes on owner-occupied homes	19,120	16,360	16,640	16,820	28,230	34,570	35,400	131,660
	Nonbusiness State and local taxes other than on owner-occupied homes	37,500	32,730	33,200	34,450	54,470	66,030	68,390	256,540
	Exclusion of interest on State and local bonds for:								
	Public purposes	23,540	25,140	25,900	26,670	27,470	28,300	29,150	137,490
	Energy facilities	30	30	30	30	30	30	30	150
	Water, sewage, and hazardous waste disposal facilities	370	390	410	420	430	440	450	2,150
	Small-issues	350	380	390	410	420	420	440	2,080
	Owner-occupied mortgage subsidies	900	960	990	1,020	1,060	1,090	1,120	5,280
	Rental housing	830	880	900	930	960	990	1,020	4,800
	Airports, docks, and similar facilities	850	900	930	960	990	1,020	1,050	4,950
	Student loans	440	460	480	490	510	520	540	2,540
	Private nonprofit educational facilities	1,750	1,870	1,930	1,980	2,050	2,110	2,170	10,240
	Hospital construction	2,760	2,950	3,040	3,120	3,210	3,310	3,410	16,090
	Veterans' housing	30	30	30	30	30	30	30	150
	Credit for holders of zone academy bonds	140	160	170	170	170	160	140	810

[1] In addition, the alcohol fuel credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2007 $3,320; 2008 $4,020; 2009 $4,560; 2010 $4,740; 2011 $1,330; 2012 $0; 2013 $0.

[2] The figures in the table indicate the effect of the child tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2007 $16,159; 2008 $16,321; 2009 $16,780; 2010 $16,738; 2011 $16,394; 2012 $1,554; and 2013 $1,537.

[3] The figures in the table indicate the effect of the health insurance tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2007 $100; 2008 $110; 2009 $120; 2010 $130; 2011 $140; 2012 $150; and 2013 $160.

[4] The figures in the table indicate the effect of the earned income tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2007 $38,270;2008 $39,460; 2009 $41,020; 2010 $42,940; 2011 $43,460; 2012 $39,890; and 2013 $40,850.

Note: Provisions with estimates denoted normal tax method have no revenue loss under the reference tax law method.

All estimates have been rounded to the nearest $10 million. Provisions with estimates that rounded to zero in each year are not included in the table.

Source: Office of Management and Budget, Analytical Perspectives, Budget of the United States Government Fiscal Year 2009.
Available at http://www.whitehouse.gov/omb/budget/fy2009/pdf/spec.pdf (last accessed February 11, 2008).

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ESTIMATES OF TOTAL INCOME TAX EXPENDITURES: 2006-2012
Total from corporations and individuals (in millions of dollars)

	2006	2007	2008	2009	2010	2011	2012	2008-2012
National Defense								
1 Exclusion of benefits and allowances to armed forces personnel	3,100	3,220	3,350	3,480	3,620	3,780	3,930	18,160
International affairs:								
2 Exclusion of income earned abroad by U.S. citizens	2,500	2,630	2,760	2,900	3,050	3,200	3,360	15,270
3 Exclusion of certain allowances for Federal employees abroad	800	840	880	920	970	1,020	1,070	4,860
4 Extraterritorial income exclusion	4,400	1,630	.....	.....	.....	.....	.....	.....
5 Inventory property sales source rules exception	1,730	1,890	2,120	2,330	2,510	2,704	2,913	12,577
6 Deferral of income from controlled foreign corporations (normal tax method)	11,160	11,940	12,770	13,650	14,600	15,620	16,710	73,350
7 Deferred taxes for financial firms on certain income earned overseas	2,260	2,370	2,490	1,060	.....	.....	.....	3,550
General science, space, and technology								
8 Expensing of research and experimentation expenditures (normal tax method)	7,920	5,680	5,280	4,060	5,030	6,230	6,000	26,600
9 Credit for increasing research activities	2,180	10,320	4,960	2,100	920	360	70	8,410
Energy								
10 Expensing of exploration and development costs, fuels	680	860	840	710	600	450	310	2,910
11 Excess of percentage over cost depletion, fuels	760	790	790	790	780	760	740	3,860
12 Alternative fuel production credit	2,980	2,370	780	10	10	.....	.....	800
13 Exception from passive loss limitation for working interests in oil and gas properties	30	30	30	30	30	30	30	150
14 Capital gains treatment of royalties on coal	160	170	170	170	190	180	130	840
15 Exclusion of interest on energy facility bonds	40	40	50	50	50	50	50	250
16 New technology credit	510	690	960	1,120	1,150	1,150	1,150	5,530
17 Alcohol fuel credits [1]	50	50	60	70	80	30	.....	240
18 Tax credit and deduction for clean-fuel burning vehicles	110	260	150	130	–20	–50	–60	150
19 Exclusion of utility conservation subsidies	110	110	110	110	110	110	100	540
20 Credit for holding clean renewable energy bonds	20	60	80	100	100	100	100	480
21 Deferral of gain from dispositions of transmission property to implement FERC restructuring policy	620	530	230	–100	–360	–510	–540	–1,280
22 Credit for investment in clean coal facilities	.....	30	50	80	130	180	250	690
23 Temporary 50% expensing for equipment used in the refining of liquid fuels	10	30	120	240	260	180	–50	750
24 Natural gas distribution pipelines treated as 15-year property	20	50	90	120	150	150	120	630
25 Amortize all geological and geophysical expenditures over 2 years	10	60	90	70	40	10	10	220
26 Allowance of deduction for certain energy efficient commercial building property	80	190	170	90	30	–10	–10	270
27 Credit for construction of new energy efficient homes	10	20	30	20	10	.....	.....	60
28 Credit for energy efficiency improvements to existing homes	230	380	150	.....	.....	.....	.....	150
29 Credit for energy efficient appliances	120	80	.....	.....	.....	.....	.....	.....
30 30% credit for residential purchases/installations of solar and fuel cells	10	10	10	.....	.....	.....	.....	10
31 Credit for business installation of qualified fuel cells and stationary microturbine power plants	80	90	130	50	–10	–10	–10	150
32 Partial expensing for advanced mine safety equipment	.....	10	20	.....	.....	.....	.....	20
Natural resources and environment								
33 Expensing of exploration and development costs, nonfuel minerals	10	10	10	10	10	10	10	50
34 Excess of percentage over cost depletion, nonfuel minerals	450	480	490	510	530	550	570	2,650
35 Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	510	580	600	630	640	670	680	3,220
36 Capital gains treatment of certain timber income	160	170	170	170	190	180	130	840
37 Expensing of multiperiod timber growing costs	290	310	320	330	350	360	370	1,730
38 Tax incentives for preservation of historic structures	390	400	430	440	470	490	520	2,350
39 Expensing of capital costs with respect to complying with EPA sulfur regulations	10	10	30	50	30	.....	.....	110
40 Exclusion of gain or loss on sale or exchange of certain brownfield sites	.....	10	30	40	40	40	30	180
Agriculture								
41 Expensing of certain capital outlays	130	130	130	140	140	150	150	710
42 Expensing of certain multiperiod production costs	70	70	80	80	80	90	90	420
43 Treatment of loans forgiven for solvent farmers	20	20	20	20	20	30	30	120
44 Capital gains treatment of certain income	880	940	950	950	1,010	980	700	4,590
45 Income averaging for farmers	60	60	60	60	60	70	70	320
46 Deferral of gain on sale of farm refiners	10	20	20	20	20	20	20	100
47 Bio-Diesel and small agri-biodiesel producer tax credits	90	180	200	30	20	10	10	270
Commerce and housing								
Financial institutions and insurance:								
48 Exemption of credit union income	1,320	1,400	1,480	1,570	1,660	1,750	1,850	8,310
49 Excess bad debt reserves of financial institutions	20	10	10	10	10	.....	.....	30
50 Exclusion of interest on life insurance savings	19,380	20,150	21,925	25,060	27,830	30,090	32,100	137,005
51 Special alternative tax on small property and casualty insurance companies	50	50	50	50	50	60	60	270
52 Tax exemption of certain insurance companies owned by tax-exempt organizations	220	230	240	250	260	270	280	1,300
53 Small life insurance company deduction	60	60	60	60	60	50	50	280
54 Exclusion of interest spread of financial institutions	1,350	1,330	1,400	1,480	1,550	1,950	2,050	8,430
Housing:								
55 Exclusion of interest on owner-occupied mortgage subsidy bonds	1,170	1,300	1,390	1,430	1,470	1,510	1,560	7,360
56 Exclusion of interest on rental housing bonds	970	1,090	1,150	1,180	1,220	1,260	1,300	6,110
57 Deductibility of mortgage interest on owner-occupied homes	68,330	79,940	89,430	96,250	103,540	111,440	119,600	520,260
58 Deductibility of State and local property tax on owner-occupied homes	21,260	15,540	12,620	12,590	12,580	22,440	27,770	88,000
59 Deferral of income from installment sales	1,190	1,210	1,230	1,250	1,370	1,500	1,650	7,000
60 Capital gains exclusion on home sales	35,270	37,030	38,890	40,830	42,870	45,010	47,270	214,870
61 Exclusion of net imputed rental income	28,780	32,110	35,680	39,440	43,596	48,190	53,269	220,176
62 Exception from passive loss rules for $25,000 of rental loss	6,590	7,150	7,520	7,790	7,990	8,150	8,300	39,750
63 Credit for low-income housing investments	4,420	4,660	4,940	5,250	5,570	5,870	6,170	27,800
64 Accelerated depreciation on rental housing (normal tax method)	10,340	11,240	12,300	13,480	14,560	15,790	17,190	73,320
Commerce:								
65 Cancellation of indebtedness	90	100	90	60	30	30	30	240
66 Exceptions from imputed interest rules	50	50	50	50	50	50	50	250
67 Capital gains (except agriculture, timber, iron ore, and coal)	48,610	51,770	51,960	52,230	55,400	53,870	38,420	251,880
68 Capital gains exclusion of small corporation stock	240	270	320	340	370	490	540	2,060
69 Step-up basis of capital gains at death	29,600	32,600	35,900	36,750	37,950	39,450	41,010	191,060
70 Carryover basis of capital gains on gifts	590	650	760	800	1,270	6,340	1,500	10,670
71 Ordinary income treatment of loss from small business corporation stock sale	50	50	50	50	60	60	60	280
72 Accelerated depreciation of buildings other than rental housing (normal tax method)	–970	–740	–310	260	870	1,550	2,280	4,650
73 Accelerated depreciation of machinery and equipment (normal tax method)	36,470	51,030	64,670	78,390	85,250	92,630	100,850	421,790
74 Expensing of certain small investments (normal tax method)	5,000	5,330	5,330	4,740	–1,090	80	850	9,910
75 Graduated corporation income tax rate (normal tax method)	4,050	4,270	4,240	4,320	4,420	4,530	4,690	22,200
76 Exclusion of interest on small issue bonds	510	580	600	630	640	670	680	3,220
77 Deduction for U.S. production activities	9,950	10,700	13,810	14,500	19,550	23,890	25,360	97,110
78 Special rules for certain film and TV production	110	90	70	–40	–90	–60	–50	–170
Transportation								
79 Deferral of tax on shipping companies	20	20	20	20	20	20	20	100
80 Exclusion of reimbursed employee parking expenses	2,740	2,890	3,040	3,190	3,350	3,430	3,540	16,550
81 Exclusion for employer-provided transit passes	560	630	710	790	880	960	1,030	4,370
82 Tax credit for certain expenditures for maintaining railroad tracks	140	160	130	60	30	10	10	240
83 Exclusion of interest on bonds for Financing of Highway Projects and rail-truck transfer facilities	25	50	75	95	95	100	100	465
Community and regional development								
84 Investment credit for rehabilitation of structures (other than historic)	40	40	40	40	40	40	40	200
85 Exclusion of interest for airport, dock, and similar bonds	1,130	1,250	1,320	1,360	1,400	1,440	1,480	7,000
86 Exemption of certain mutuals' and cooperatives' income	80	80	80	80	80	90	90	420
87 Empowerment zones and renewal communities	1,210	1,340	1,480	1,740	1,130	420	570	5,340
88 New markets tax credit	590	810	990	970	860	730	590	4,140
89 Expensing of environmental remediation costs	150	300	130	–40	–20	–20	–30	20
90 Credit to holders of Gulf Tax Credit Bonds	10	10	10	10	10	10	10	50
Education, training, employment, and social services								
Education:								
91 Exclusion of scholarship and fellowship income (normal tax method)	1,780	1,870	1,960	2,050	2,150	2,250	2,360	10,770
92 HOPE tax credit	3,900	3,330	3,350	3,600	3,710	4,350	4,730	19,740
93 Lifetime Learning tax credit	2,490	2,190	2,200	2,310	2,390	2,780	3,020	12,700
94 Education Individual Retirement Accounts	10	10	10	20	20	20	30	100
95 Deductibility of student-loan interest	800	810	820	830	840	780	530	3,800
96 Deduction for higher education expenses	1,420	1,450	1,180	.....	.....	.....	.....	1,180
97 State prepaid tuition plans	690	830	1,000	1,210	1,470	1,820	2,000	7,500
98 Exclusion of interest on student-loan bonds	500	550	590	600	630	640	670	3,130
99 Exclusion of interest on bonds for private nonprofit educational facilities	2,140	2,380	2,530	2,610	2,690	2,770	2,850	13,450
100 Credit for holders of zone academy bonds	130	140	160	170	170	170	160	830
101 Exclusion of interest on savings bonds redeemed to finance educational expenses	.....	20	20	20	20	20	20	100
102 Parental personal exemption for students age 19 or over	4,030	2,500	1,590	1,480	1,410	2,620	3,040	10,140
103 Deductibility of charitable contributions (education)	4,200	4,550	5,120	5,520	5,900	6,320	6,770	29,630
104 Exclusion of employer-provided educational assistance	590	620	660	690	720	40	.....	2,110
105 Special deduction for teacher expenses	160	170	160	.....	.....	.....	.....	160
106 Discharge of student loan indebtedness	20	20	20	20	20	20	20	100
Training, employment, and social services:								
107 Work opportunity tax credit	210	360	370	250	140	70	40	870
108 Welfare-to-work tax credit	80	80	80	50	20	10	10	170
109 Employer provided child care exclusion	660	890	1,030	1,080	1,140	1,160	1,210	5,620
110 Employer-provided child care credit	10	10	10	20	20	10	.....	60
111 Assistance for adopted foster children	320	350	400	440	480	530	570	2,420
112 Adoption credit and exclusion	540	560	570	580	600	540	170	2,460
113 Exclusion of employee meals and lodging (other than military)	890	930	970	1,010	1,060	1,110	1,170	5,320
114 Child credit [2]	30,377	32,556	32,341	32,096	31,909	24,719	13,598	134,666
115 Credit for child and dependent care expenses	3,190	2,810	1,740	1,650	1,570	1,500	1,430	7,890
116 Credit for disabled access expenditures	20	30	30	30	30	30	30	150
117 Deductibility of charitable contributions, other than education and health	37,120	40,400	45,760	49,360	52,840	56,610	60,740	265,310
118 Exclusion of certain foster care payments	440	450	460	470	480	490	500	2,400
119 Exclusion of parsonage allowances	480	510	550	580	610	640	670	3,050
120 Employee retention credit for employers affected by Hurricane Katrina, Rita, and Wilma	.....	40	.....	.....	.....	.....	.....	.....
Health								
121 Exclusion of employer contributions for medical insurance premiums and medical care	125,000	141,270	160,190	179,580	200,510	221,880	243,820	1,005,980
122 Self-employed medical insurance premiums	3,970	4,370	3,730	4,180	4,670	5,230	5,810	23,620
123 Medical Savings Accounts/Health Savings Accounts	280	990	1,980	2,600	2,830	2,910	2,850	13,170
124 Deductibility of medical expenses	3,770	4,240	4,920	5,820	6,840	9,250	10,780	37,610
125 Exclusion of interest on hospital construction bonds	3,420	3,770	4,010	4,130	4,260	4,380	4,510	21,290
126 Deductibility of charitable contributions (health)	4,190	4,560	5,160	5,570	5,960	6,380	6,850	29,920
127 Tax credit for orphan drug research	230	260	290	320	360	410	460	1,840
128 Special Blue Cross/Blue Shield deduction	620	680	740	610	660	690	740	3,440
129 Tax credit for health insurance purchased by certain displaced and retired individuals [3]	.....	10	10	10	10	10	10	50
130 Distributions from retirement plans for premiums for health and long-term care insurance	.....	250	240	280	310	340	380	1,550
Income security								
131 Exclusion of railroad retirement system benefits	390	380	380	380	370	360	350	1,840
132 Exclusion of workers' compensation benefits	5,660	5,740	5,830	5,920	6,010	6,110	6,200	30,070
133 Exclusion of public assistance benefits (normal tax method)	450	470	490	510	530	550	580	2,660
134 Exclusion of special benefits for disabled coal miners	50	50	40	40	40	40	40	200
135 Exclusion of military disability pensions	110	110	120	130	130	140	150	670
136 *Net exclusion of pension contributions and earnings:*								
137 Employer plans	49,040	49,510	48,480	48,030	46,350	43,700	42,790	229,350
138 401(k) plans	40,760	42,410	43,970	45,980	48,550	54,230	57,690	250,420
139 Individual Retirement Accounts	3,970	5,700	6,650	7,130	7,200	7,460	7,840	36,280
140 Low and moderate income savers credit	700	690	670	630	610	590	580	3,080
141 Keogh plans	10,130	10,860	11,890	13,010	14,230	15,550	16,970	71,650
142 *Exclusion of other employee benefits:*								
Premiums on group term life insurance	2,280	2,310	2,350	2,380	2,420	2,450	2,490	12,090
Premiums on accident and disability insurance	290	300	310	320	330	340	350	1,650
143 Income of trusts to finance supplementary unemployment benefits	20	30	30	30	40	40	50	190
144 Special ESOP rules	1,760	1,890	2,030	2,170	2,330	2,490	2,670	11,690
145 Additional deduction for the blind	40	40	40	40	40	50	60	230
146 Additional deduction for the elderly	1,920	1,830	1,830	1,910	2,010	2,890	3,480	12,120
147 Tax credit for the elderly and disabled	20	10	10	10	10	10	10	50
148 Deductibility of casualty losses	260	280	300	310	320	350	370	1,650
149 Earned income tax credit [4]	5,050	5,360	5,340	5,490	5,660	5,890	7,900	30,280
150 Additional exemption for housing Hurricane Katrina displaced individuals	110	20	.....	.....	.....	.....	.....	.....
Social Security								
Exclusion of social security benefits								
151 Social Security benefits for retired workers	17,890	18,100	18,930	19,110	20,230	21,320	23,260	102,850
152 Social Security benefits for disabled	4,730	5,120	5,620	5,890	6,240	6,690	7,220	31,660
153 Social Security benefits for dependents and survivors	3,360	3,340	3,400	3,330	3,420	3,490	3,700	17,340
Veterans benefits and services								
154 Exclusion of veterans death benefits and disability compensation	3,580	3,770	3,890	4,030	4,200	4,590	5,030	21,740
155 Exclusion of veterans pensions	150	180	180	180	190	200	230	980
156 Exclusion of GI bill benefits	210	260	280	300	320	360	420	1,680
157 Exclusion of interest on veterans housing bonds	40	40	40	50	50	50	50	240
General purpose fiscal assistance								
158 Exclusion of interest on public purpose State and local bonds	22,980	25,430	27,150	27,960	28,800	29,670	30,560	144,140
159 Deductibility of nonbusiness state and local taxes other than on owner-occupied homes	43,120	33,680	27,900	27,790	28,570	48,560	59,850	192,670
160 Tax credit for corporations receiving income from doing business in US possessions	200	20	.....	.....	.....	.....	.....	.....
Interest								
161 Deferral of interest on US savings bonds	1,260	1,330	1,340	1,360	1,370	1,420	1,520	7,010
Addendum: Aid to State and local governments								
Deductibility of:								
Property taxes on owner-occupied homes	21,260	15,540	12,620	12,590	12,580	22,440	27,770	88,000
Nonbusiness State and local taxes other than on owner-occupied homes	43,120	33,680	27,900	27,790	28,570	48,560	59,850	192,670
Exclusion of interest on State and local bonds for:								
Public purposes	22,980	25,430	27,150	27,960	28,800	29,670	30,560	144,140
Energy facilities	40	40	50	50	50	50	50	250
Water, sewage, and hazardous waste disposal facilities	510	580	600	630	640	670	680	3,220
Small-issues	510	580	600	630	640	670	680	3,220
Owner-occupied mortgage subsidies	1,170	1,300	1,390	1,430	1,470	1,510	1,560	7,360
Rental housing	970	1,090	1,150	1,180	1,220	1,260	1,300	6,110
Airports, docks, and similar facilities	1,130	1,250	1,320	1,360	1,400	1,440	1,480	7,000
Student loans	500	550	590	600	630	640	670	3,130
Private nonprofit educational facilities	2,140	2,380	2,530	2,610	2,690	2,770	2,850	13,450
Hospital construction	3,420	3,770	4,010	4,130	4,260	4,380	4,510	21,290
Veterans' housing	40	40	40	50	50	50	50	240
Credit for holders of zone academy bonds	130	140	160	170	170	170	160	830

[1] In addition, the alcohol fuel credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2006 $2,570; 2007 $2,990; 2008 $3,460; 2009 $4,280; 2010 $4,990; 2011 $1,440; 0 in 2012.

[2] The figures in the table indicate the effect of the child tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2006 $15,473; 2007 $14,931; 2008 $14,367; 2009 $14,019; 2010 $13,651; 2011 $13,410; and 2012 $1,275.

[3] The figures in the table indicate the effect of the health insurance tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2006 $90; 2007 $100; 2008 $110; 2009 $120; 2010 $130; 2011 $140; and 2012 $150.

[4] The figures in the table indicate the effect of the earned income tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2006 $36,166;2007 $36,461; 2008 $37,573; 2009 $38,237; 2010 $38,994; 2011 $40,289; and 2012 $36,982.
Note: Provisions with estimates denoted normal tax method have no revenue loss under the reference tax law method.

Source: Office of Management and Budget, Analytical Perspectives, Budget of the United States Government Fiscal Year 2008
Available at http://www.gpoaccess.gov/usbudget/fy08/pdf/spec.pdf (last accessed July 6, 2007).

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ESTIMATES OF TOTAL INCOME TAX EXPENDITURES: 2005-2011

Total from corporations and individuals (in millions of dollars)

	2005	2006	2007	2008	2009	2010	2011	2007-2011
National Defense								
1 Exclusion of benefits and allowances to armed forces personnel	2,990	3,020	3,050	3,070	3,110	3,140	3,170	15,390
International affairs:								
2 Exclusion of income earned abroad by U.S. citizens	2,750	2,810	2,940	3,100	3,270	3,450	3,640	16,400
3 Exclusion of certain allowances for Federal employees abroad	900	950	1,000	1,050	1,100	1,160	1,230	5,540
4 Extraterritorial income exclusion	5,220	4,370	1,720	110	50	50	40	1,970
5 Inventory property sales source rules exception	1,560	1,680	1,840	2,040	2,230	2,380	2,540	11,030
6 Deferral of income from controlled foreign corporations (normal tax method)	10,500	11,160	11,940	12,770	13,650	14,600	15,620	68,580
7 Deferred taxes for financial firms on certain income earned overseas	2,190	2,260	960	.....	.....	.....	.....	960
General science, space, and technology								
8 Expensing of research and experimentation expenditures (normal tax method)	4,110	7,920	6,990	6,260	5,360	4,800	4,840	28,250
9 Credit for increasing research activities	5,160	2,160	920	390	180	50	.....	1,540
Energy								
10 Expensing of exploration and development costs, fuels	390	680	870	830	650	500	380	3,230
11 Excess of percentage over cost depletion, fuels	590	670	690	660	640	620	620	3,230
12 Alternative fuel production credit	2,320	2,390	2,460	990	.....	.....	.....	3,450
13 Exception from passive loss limitation for working interests in oil and gas properties	40	40	40	40	40	40	40	200
14 Capital gains treatment of royalties on coal	90	90	90	100	70	60	80	400
15 Exclusion of interest on energy facility bonds	80	90	90	100	100	110	110	510
16 Enhanced oil recovery credit	300	.....	.....	.....	.....	.....	20	20
17 New technology credit	240	510	690	800	850	860	860	4,060
18 Alcohol fuel credits [1]	40	40	40	50	50	60	30	230
19 Tax credit and deduction for clean-fuel burning vehicles	70	90	200	140	140	–20	–40	420
20 Exclusion of utility conservation subsidies	80	80	80	80	80	70	70	380
21 Credit for holding clean renewable energy bonds	.....	.....	10	30	40	50	50	180
22 Deferral of gain from dispositions of transmission property to implement FERC restructuring policy	490	620	530	230	–100	–360	–510	–210
23 Credit for production from advanced nuclear power facilities	.....	.....	.....	.....	.....	.....	.....	.....
24 Credit for investment in clean coal facilities	.....	50	50	100	150	200	280	780
25 Temporary 50% expensing for equipment used in the refining of liquid fuels	.....	10	30	120	240	260	180	830
26 Pass through low sulfur diesel expensing to cooperative owners	40	.....	–10	.....	–10	.....	–10	–30
27 Natural gas distribution pipelines treated as 15-year property	.....	20	50	90	120	150	150	560
28 Amortize all geological and geophysical expenditures over 2 years	.....	40	150	180	140	100	60	630
29 Allowance of deduction for certain energy efficient commercial building property	.....	80	190	140	30	–10	–10	340
30 Credit for construction of new energy efficient homes	.....	10	20	10	10	.....	.....	40
31 Credit for energy efficiency improvements to existing homes	.....	220	380	150	.....	.....	.....	530
32 Credit for energy efficient appliances	.....	120	80	.....	.....	.....	.....	80
33 30% credit for residential purchases/installations of solar and fuel cells	.....	10	10	10	.....	.....	.....	20
34 Credit for business installation of qualified fuel cells and stationary microturbine power plants	.....	80	130	50	–10	–10	–10	150
35 Alternative Fuel and Fuel Mixture tax credit	150	170	.....	.....	.....	.....	.....	.....
Natural resources and environment								
36 Expensing of exploration and development costs, nonfuel minerals	.....	.....	.....	.....	.....	.....	.....	.....
37 Excess of percentage over cost depletion, nonfuel minerals	270	280	300	310	310	330	340	1,590
38 Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	450	480	500	550	580	600	620	2,850
39 Capital gains treatment of certain timber income	90	90	90	100	70	60	80	400
40 Expensing of multiperiod timber growing costs	350	370	380	400	410	430	430	2,050
41 Tax incentives for preservation of historic structures	350	370	380	400	420	440	470	2,110
42 Expensing of capital costs with respect to complying with EPA sulfur regulations	10	10	10	30	50	30	.....	120
43 Exclusion of gain or loss on sale or exchange of certain brownfield sites	.....	.....	10	30	40	70	60	210
Agriculture								
44 Expensing of certain capital outlays	110	130	130	130	140	140	150	690
45 Expensing of certain multiperiod production costs	60	70	70	80	80	80	90	400
46 Treatment of loans forgiven for solvent farmers	10	10	10	10	10	10	10	50
47 Capital gains treatment of certain income	880	870	900	1,050	750	590	780	4,070
48 Income averaging for farmers	40	40	40	40	40	40	50	210
49 Deferral of gain on sale of farm refiners	10	10	20	20	20	20	20	100
50 Bio-Diesel and small agri-biodiesel producer tax credits	30	90	100	90	40	20	20	270
Commerce and housing								
Financial institutions and insurance:								
51 Exemption of credit union income	1,290	1,370	1,450	1,540	1,640	1,740	1,850	8,220
52 Excess bad debt reserves of financial institutions	10	10	10	.....	.....	.....	.....	10
53 Exclusion of interest on life insurance savings	19,200	19,970	20,770	22,600	26,100	28,990	31,350	129,810
54 Special alternative tax on small property and casualty insurance companies	20	20	20	20	20	20	30	110
55 Tax exemption of certain insurance companies owned by tax-exempt organizations	210	220	230	240	250	260	270	1,250
56 Small life insurance company deduction	60	60	60	60	60	60	50	290
57 Exclusion of interest spread of financial institutions	1,450	1,540	1,620	1,710	1,800	1,890	1,990	12,000
Housing:								
58 Exclusion of interest on owner-occupied mortgage subsidy bonds	930	990	1,040	1,140	1,210	1,240	1,280	5,910
59 Exclusion of interest on rental housing bonds	410	430	450	500	530	540	550	2,570
60 Deductibility of mortgage interest on owner-occupied homes	62,160	72,060	79,860	87,820	94,490	100,980	108,280	471,430
61 Deductibility of State and local property tax on owner-occupied homes	19,110	15,020	12,810	12,910	12,830	12,720	22,930	74,200
62 Deferral of income from post 1987 installment sales	1,120	1,130	1,160	1,180	1,200	1,310	1,430	6,280
63 Capital gains exclusion on home sales	35,950	39,750	43,900	48,490	59,900	78,860	87,100	318,250
64 Exclusion of net imputed rental income	28,600	29,720	33,210	36,860	40,630	44,785	49,364	204,849
65 Exception from passive loss rules for $25,000 of rental loss	6,470	6,370	6,230	6,060	5,880	5,700	5,510	29,380
66 Credit for low-income housing investments	3,880	4,060	4,250	4,460	4,710	4,950	5,220	23,590
67 Accelerated depreciation on rental housing (normal tax method)	9,610	10,630	11,470	12,660	13,820	14,710	15,920	68,580
Commerce:								
68 Cancellation of indebtedness	30	160	110	40	40	40	40	270
69 Exceptions from imputed interest rules	50	50	50	50	50	50	50	250
70 Capital gains (except agriculture, timber, iron ore, and coal)	26,170	25,990	26,760	31,280	22,340	17,580	23,410	121,370
71 Capital gains exclusion of small corporation stock	200	230	260	300	320	350	470	1,700
72 Step-up basis of capital gains at death	26,820	29,510	32,460	35,700	36,480	34,560	38,010	177,210
73 Carryover basis of capital gains on gifts	410	540	640	750	790	1,270	6,370	9,820
74 Ordinary income treatment of loss from small business corporation stock sale	50	50	50	50	50	50	50	250
75 Accelerated depreciation of buildings other than rental housing (normal tax method)	–910	–280	90	550	360	950	1,580	3,530
76 Accelerated depreciation of machinery and equipment (normal tax method)	20,220	40,520	52,230	61,940	73,480	81,090	88,460	353,600
77 Expensing of certain small investments (normal tax method)	5,390	4,720	4,360	350	868	1,110	1,460	8,148
78 Graduated corporation income tax rate (normal tax method)	3,160	3,450	3,590	3,940	4,180	4,300	4,390	20,400
79 Exclusion of interest on small issue bonds	390	420	440	480	510	530	540	2,500
80 Deduction for U.S. production activities	6,220	5,150	10,670	12,190	13,110	20,320	22,270	78,560
81 Special rules for certain film and TV production	90	110	90	70	–40	–90	–60	–30
Transportation								
82 Deferral of tax on shipping companies	20	20	20	20	20	20	20	100
83 Exclusion of reimbursed employee parking expenses	2,590	2,730	2,880	3,030	3,180	3,330	3,420	15,840
84 Exclusion for employer-provided transit passes	480	550	630	710	790	880	960	3,970
85 Tax credit for certain expenditures for maintaining railroad tracks	70	140	150	110	50	30	10	350
86 Exclusion of interest on bonds for Financing of Highway Projects and rail-truck transfer facilities	.....	25	50	75	95	95	100	415
Community and regional development								
87 Investment credit for rehabilitation of structures (other than historic)	40	40	40	40	40	40	40	200
88 Exclusion of interest for airport, dock, and similar bonds	800	860	910	990	1,060	1,080	1,120	5,160
89 Exemption of certain mutuals' and cooperatives' income	60	60	70	70	70	70	70	350
90 Empowerment zones and renewal communities	1,120	1,210	1,340	1,480	1,740	1,130	420	6,110
91 New markets tax credit	430	610	830	870	790	670	520	3,680
92 Expensing of environmental remediation costs	70	60	40	.....	–20	–10	–10	.....
93 Credit to holders of Gulf Tax Credit Bonds	.....	.....	10	10	10	10	10	50
Education, training, employment, and social services								
Education:								
94 Exclusion of scholarship and fellowship income (normal tax method)	1,380	1,450	1,510	1,580	1,640	1,720	1,790	8,240
95 HOPE tax credit	3,710	3,650	3,060	3,090	3,220	3,240	3,480	16,090
96 Lifetime Learning tax credit	2,330	2,340	2,020	2,030	2,060	2,090	2,220	10,420
97 Education Individual Retirement Accounts	70	90	110	140	180	230	280	940
98 Deductibility of student-loan interest	780	800	810	820	830	840	780	4,080
99 Deduction for higher education expenses	1,830	1,840	.....	.....	.....	.....	.....	.....
100 State prepaid tuition plans	430	540	620	710	810	930	1,090	4,160
101 Exclusion of interest on student-loan bonds	280	300	320	350	370	380	390	1,810
102 Exclusion of interest on bonds for private nonprofit educational facilities	1,080	1,160	1,220	1,330	1,410	1,450	1,500	6,910
103 Credit for holders of zone academy bonds	110	130	140	150	150	150	150	740
104 Exclusion of interest on savings bonds redeemed to finance educational expenses	10	20	20	20	20	20	20	100
105 Parental personal exemption for students age 19 or over	3,760	2,500	1,760	1,650	1,510	1,420	2,740	9,080
106 Deductibility of charitable contributions (education)	3,420	3,680	4,030	4,260	4,550	4,870	5,210	22,920
107 Exclusion of employer-provided educational assistance	560	590	620	660	690	730	40	2,740
108 Special deduction for teacher expenses	160	150	.....	.....	.....	.....	.....	.....
109 Discharge of student loan indebtedness	20	20	20	20	20	20	20	100
Training, employment, and social services:								
110 Work opportunity tax credit	160	210	190	130	110	70	30	530
111 Welfare-to-work tax credit	70	80	70	40	10	.....	.....	120
112 Employer provided child care exclusion	610	810	920	960	1,010	1,060	1,070	5,020
113 Employer-provided child care credit	10	10	10	20	20	20	10	80
114 Assistance for adopted foster children	310	320	350	370	400	430	470	2,020
115 Adoption credit and exclusion	360	540	560	570	580	600	540	2,850
116 Exclusion of employee meals and lodging (other than military)	850	890	930	970	1,010	1,060	1,110	5,080
117 Child credit [2]	41,790	42,090	42,120	42,070	41,830	41,870	31,730	199,620
118 Credit for child and dependent care expenses	3,060	2,740	1,820	1,750	1,660	1,590	1,540	8,360
119 Credit for disabled access expenditures	30	30	30	40	40	40	40	190
120 Deductibility of charitable contributions, other than education and health	29,670	32,550	34,500	36,790	39,410	42,210	45,210	198,120
121 Exclusion of certain foster care payments	440	440	450	450	450	460	470	2,280
122 Exclusion of parsonage allowances	460	480	510	540	580	610	640	2,880
123 Employee retention credit for employers affected by Hurricane Katrina, Rita, and Wilma	.....	140	20	20	.....	.....	.....	40
Health								
124 Exclusion of employer contributions for medical insurance premiums and medical care	118,420	132,730	146,780	161,120	176,290	191,980	212,820	888,990
125 Self-employed medical insurance premiums	3,790	4,240	4,630	5,080	5,570	6,050	6,730	28,060
126 Medical Savings Accounts/Health Savings Accounts	1,050	1,830	2,650	3,510	3,960	3,910	3,860	17,890
127 Deductibility of medical expenses	6,110	4,410	5,310	6,490	7,720	9,220	12,260	41,000
128 Exclusion of interest on hospital construction bonds	1,880	2,010	2,110	2,300	2,450	2,520	2,600	11,980
129 Deductibility of charitable contributions (health)	3,350	3,670	3,890	4,150	4,450	4,770	5,110	22,370
130 Tax credit for orphan drug research	210	230	260	290	320	360	410	1,640
131 Special Blue Cross/Blue Shield deduction	710	780	850	920	760	830	920	4,280
132 Tax credit for health insurance purchased by certain displaced and retired individuals	20	20	30	30	30	30	30	150
Income security								
133 Exclusion of railroad retirement system benefits	390	390	380	360	370	370	350	1,830
134 Exclusion of workers' compensation benefits	5,770	6,000	6,180	6,390	6,630	6,860	7,090	33,150
136 Exclusion of public assistance benefits (normal tax method)	430	450	470	490	510	530	550	2,550
136 Exclusion of special benefits for disabled coal miners	50	50	50	40	40	40	40	210
137 Exclusion of military disability pensions	100	110	110	120	120	130	130	610
Net exclusion of pension contributions and earnings:								
138 Employer plans	50,630	50,360	52,470	48,100	45,760	44,760	36,910	228,000
139 401(k) plans	37,440	37,330	39,800	43,100	48,810	53,870	47,290	232,870
140 Individual Retirement Accounts	3,100	4,230	5,970	7,180	8,300	8,840	8,060	38,350
141 Low and moderate income savers credit	1,310	1,380	830	.....	.....	.....	.....	830
142 Keogh plans	9,400	9,990	10,670	11,630	12,670	13,800	15,040	63,810
Exclusion of other employee benefits:								
143 Premiums on group term life insurance	2,020	2,070	2,180	2,250	2,310	2,380	2,490	11,610
144 Premiums on accident and disability insurance	280	290	300	310	320	330	340	1,600
145 Income of trusts to finance supplementary unemployment benefits	20	20	20	20	20	20	20	100
146 Special ESOP rules	1,650	1,760	1,890	2,030	2,170	2,330	2,490	10,910
147 Additional deduction for the blind	40	30	30	40	40	40	50	200
148 Additional deduction for the elderly	1,850	1,740	1,740	1,880	1,930	1,980	2,940	10,470
149 Tax credit for the elderly and disabled	20	20	20	10	10	10	10	60
150 Deductibility of casualty losses	250	980	640	300	320	330	360	1,950
151 Earned income tax credit [3]	4,925	5,050	5,150	5,445	5,640	5,810	6,070	28,115
152 Additional exemption for housing Hurricane Katrina displaced individuals	.....	110	20	.....	.....	.....	.....	20
Social Security								
Exclusion of social security benefits								
153 Social Security benefits for retired workers	19,110	19,350	19,590	20,250	20,700	21,000	23,330	104,870
154 Social Security benefits for disabled	3,600	3,810	4,110	4,330	4,570	4,960	5,530	23,500
155 Social Security benefits for dependents and survivors	3,940	3,980	4,040	4,070	4,100	4,180	4,360	20,750
Veterans benefits and services								
156 Exclusion of veterans death benefits and disability compensation	3,320	3,600	3,770	3,900	4,050	4,140	4,350	20,210
157 Exclusion of veterans pensions	130	140	140	140	140	150	150	720
158 Exclusion of GI bill benefits	150	170	210	240	280	330	400	1,460
159 Exclusion of interest on veterans housing bonds	40	40	50	50	50	50	50	250
General purpose fiscal assistance								
160 Exclusion of interest on public purpose State and local bonds	26,360	28,180	29,640	32,330	34,410	35,440	36,510	168,330
161 Deductibility of nonbusiness state and local taxes other than on owner-occupied homes	36,460	30,310	27,210	27,730	28,260	29,000	49,510	161,710
162 Tax credit for corporations receiving income from doing business in US possessions	800	400	40	.....	.....	.....	.....	40
Interest								
163 Deferral of interest on US savings bonds	1,350	1,340	1,350	1,360	1,380	1,390	1,440	6,920
Addendum: Aid to State and local governments								
Deductibility of:								
Property taxes on owner-occupied homes	19,110	15,020	12,810	12,910	12,830	12,720	22,930	74,200
Nonbusiness State and local taxes other than on owner-occupied homes	36,460	30,310	27,210	27,730	28,260	29,000	49,510	161,710
Exclusion of interest on State and local bonds for:								
Public purposes	26,360	28,180	29,640	32,330	34,410	35,440	36,510	168,330
Energy facilities	80	90	90	100	100	110	110	510
Water, sewage, and hazardous waste disposal facilities	450	480	500	550	580	600	620	2,850
Small-issues	390	420	440	480	510	530	540	2,500
Owner-occupied mortgage subsidies	930	990	1,040	1,140	1,210	1,240	1,280	5,910
Rental housing	410	430	450	500	530	540	550	2,570
Airports, docks, and similar facilities	800	860	910	990	1,060	1,080	1,120	5,160
Student loans	280	300	320	350	370	380	390	1,810
Private nonprofit educational facilities	1,080	1,160	1,220	1,330	1,410	1,450	1,500	6,910
Hospital construction	1,880	2,010	2,110	2,300	2,450	2,520	2,600	11,980
Veterans' housing	40	40	50	50	50	50	50	250
Credit for holders of zone academy bonds	110	130	140	150	150	150	150	740

[1] In addition, the alcohol fuel credit results in a reduction in excise tax receipts (in millions of dollars) as follows: 2005 $1,500; 2006 $2,110; 2007 $2,400; 2008 $2,740; 2009 $3,080; 2010 $3,410 and 2011 $870.

[2] The figures in the table indicate the effect of the child tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2005 $14,620; 2006 $14,110; 2007 $13,540; 2008 $12,950; 2009 $12,760 and 2010 $12,330;2011 $12,110

[3] The figures in the table indicate the effect of the earned income tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2005 $34,559;2006 $35,098; 2007 $35,645; 2008 $36,955; 2009 $38,048; 2010 $38,823; and 2011 $40,278.

Note: Provisions with estimates denoted normal tax method have no revenue loss under the reference tax law method

Source: Office of Management and Budget, Analytical Perspectives, Budget of the United States Government Fiscal Year 2007.
Available at http://www.gpoaccess.gov/usbudget/fy07/pdf/spec.pdf (last accessed July 6, 2007).

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES: 2004-2010

Total from corporations and individuals (in millions of dollars)

		2004	2005	2006	2007	2008	2009	2010	2006-2010
	National Defense								
1	Exclusion of benefits and allowances to armed forces personnel	2,460	2,490	2,520	2,540	2,560	2,590	2,620	12,830
	International affairs:								
2	Exclusion of income earned abroad by US citizens	2,680	2,750	2,810	2,940	3,100	3,270	3,450	15,570
3	Exclusion of certain allowances for Federal employees abroad	850	900	950	1,000	1,050	1,100	1,160	5,260
4	Extraterritorial income exclusion	5,500	5,170	4,270	1,820	220	40	20	6,370
5	Inventory property sales source rules exception	1,500	1,620	1,770	1,950	2,200	2,430	2,630	10,980
6	Deferral of income from controlled foreign corporations (normal tax method)	7,240	7,000	7,440	7,960	8,510	9,100	9,730	42,740
7	Deferred taxes for financial firms on certain income earned overseas	2,130	2,190	2,260	960				3,220
	General science, space, and technology								
8	Expensing of research and experimentation expenditures (normal tax method)	–2,330	4,110	7,920	6,990	6,260	5,360	4,800	31,330
9	Credit for increasing research activities	4,680	5,130	2,140	910	390	180	50	3,670
	Energy								
10	Expensing of exploration and development costs, fuels	260	400	370	280	240	190	140	1,220
11	Excess of percentage over cost depletion, fuels	1,320	1,280	1,350	1,420	1,470	1,510	1,550	7,300
12	Alternative fuel production credit	1,040	1,040	1,040	1,040	420			2,500
13	Exception from passive loss limitation for working interests in oil and gas properties	20	20	20	20	20	20	20	100
14	Capital gains treatment of royalties on coal	70	70	80	80	100	70	60	390
15	Exclusion of interest on energy facility bonds	100	100	110	110	120	120	130	590
16	Enhanced oil recovery credit	330	340	340	350	360	370	390	1,810
17	New technology credit	330	470	620	700	800	820	690	3,630
18	Alcohol fuel credits 1	30	30	30	30	40	40	40	180
19	Tax credit and deduction for clean-fuel burning vehicles	70	70	50	–20	–70	–80	–60	–180
20	Exclusion of conservation subsidies provided by public utilities	100	100	100	100	90	90	90	470
	Natural resources and environment								
21	Expensing of exploration and development costs, nonfuel minerals	230	230	250	250	250	270	270	1,290
22	Excess of percentage over cost depletion, nonfuel minerals							10	10
23	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	500	530	570	600	630	650	680	3,130
24	Capital gains treatment of certain timber income	70	70	80	80	100	70	60	390
25	Expensing of multiperiod timber growing costs	340	350	370	380	400	410	430	1,990
26	Tax incentives for preservation of historic structures	300	320	330	340	360	380	400	1,810
27	Expensing of capital costs with respect to complying with EPA sulfur regulations		10		10	20	40	10	90
28	Exclusion of gain or loss on sale or exchange of certain brownfield sites				–10	–30	–40	–40	–120
	Agriculture								
29	Expensing of certain capital outlays	100	110	130	130	130	140	140	670
30	Expensing of certain multiperiod production costs	50	60	70	70	80	80	80	380
31	Treatment of loans forgiven for solvent farmers	10	10	10	10	10	10	10	50
32	Capital gains treatment of certain income	670	730	760	820	990	720	580	3,870
33	Income averaging for farmers	40	40	40	40	40	40	40	200
34	Deferral of gain on sale of farm refiners	10	10	10	20	20	20	20	90
35	Bio-Diesel tax credit		30	30	10				40
	Commerce and housing								
	Financial institutions and insurance:								
36	Exemption of credit union income	1,270	1,330	1,390	1,440	1,510	1,570	1,640	7,550
37	Excess bad debt reserves of financial institutions	–20	–20	–10	–10	–10			–30
38	Exclusion of interest on life insurance savings	20,830	22,750	24,070	26,180	28,770	30,980	33,610	143,610
39	Special alternative tax on small property and casualty insurance companies	10	10	10	10	10	10	10	50
40	Tax exemption of certain insurance companies owned by tax-exempt organizations	180	190	210	220	230	250	260	1,170
41	Small life insurance company deduction	80	80	80	80	80	80	80	400
	Housing:								
42	Exclusion of interest on owner-occupied mortgage subsidy bonds	1,020	1,110	1,180	1,230	1,320	1,350	1,390	6,470
43	Exclusion of interest on rental housing bonds	360	390	410	420	460	470	480	2,240
44	Deductibility of mortgage interest on owner-occupied homes	61,450	68,870	76,030	81,990	88,990	95,770	102,760	445,540
45	Deductibility of State and local property tax on owner-occupied homes	19,930	16,590	14,830	14,110	13,400	13,000	12,800	68,140
46	Deferral of income from post 1987 installment sales	1,100	1,120	1,140	1,160	1,190	1,200	1,320	6,010
47	Capital gains exclusion on home sales	29,730	32,840	36,270	40,050	44,240	54,660	71,960	247,180
48	Exclusion of net imputed rental income on owner-occupied homes	24,590	28,600	29,720	33,210	36,860	40,630	44,786	185,206
49	Exception from passive loss rules for $25,000 of rental loss	5,030	4,900	4,750	4,580	4,410	4,240	4,080	22,060
50	Credit for low-income housing investments	3,660	3,850	4,010	4,190	4,390	4,610	4,850	22,050
51	Accelerated depreciation on rental housing (normal tax method)	750	–156	–993	–1,846	–2,697	–3,961	–5,901	–15,398
	Commerce:								
52	Cancellation of indebtedness	30	30	30	40	40	40	40	190
53	Exceptions from imputed interest rules	50	50	50	50	50	50	50	250
54	Capital gains (except agriculture, timber, iron ore, and coal)	25,150	27,200	28,370	30,450	36,840	26,900	21,630	144,190
55	Capital gains exclusion of small corporation stock	160	210	250	300	350	390	430	1,720
56	Step-up basis of capital gains at death	24,200	26,140	28,760	31,630	34,790	35,560	33,690	164,420
57	Carryover basis of capital gains on gifts	210	240	290	290	310	430	850	2,170
58	Ordinary income treatment of loss from small business corporation stock sale	50	50	50	50	50	50	50	250
59	Accelerated depreciation of buildings other than rental housing (normal tax method)	–3,250	–4,180	–4,790	–6,940	–10,360	14,740	–21,240	–58,060
60	Accelerated depreciation of machinery and equipment (normal tax method)	44,690	–11,000	–37,830	–30,920	–27,950	26,190	–25,760	–148,650
61	Expensing of certain small investments (normal tax method)	1,520	4,820	1,650	–490	–30	140	230	1,500
62	Amortization of start-up costs (normal tax method)	80	50		–40	–90	–140	–170	–440
63	Graduated corporation income tax rate (normal tax method)	2,450	3,190	3,730	3,820	3,920	4,020	4,140	19,630
64	Exclusion of interest on small issue bonds	450	490	510	540	580	590	610	2,830
65	Deduction for U.S. production activities		3,270	5,420	8,750	11,230	11,670	15,860	52,930
66	Special rules for certain film and TV production		90	110	90	70	–40	–90	140
	Transportation								
67	Deferral of tax on shipping companies	20	20	20	20	20	20	20	100
68	Exclusion of reimbursed employee parking expenses	2,470	2,590	2,730	2,880	3,030	3,180	3,330	15,150
69	Exclusion for employer-provided transit passes	410	480	550	630	710	790	880	3,560
70	Tax credit for certain expenditures for maintaining railroad tracks		70	140	150	110	50	30	480
	Community and regional development								
71	Investment credit for rehabilitation of structures (other than historic)	40	40	40	40	40	40	40	200
72	Exclusion of interest for airport, dock, and similar bonds	850	930	980	1,030	1,100	1,130	1,170	5,410
73	Exemption of certain mutuals' and cooperatives' income	60	60	60	70	70	70	70	340
74	Empowerment zones, Enterprise communities, and Renewal communities	1,080	1,120	1,210	1,340	1,480	1,740	1,130	6,900
75	New markets tax credit	290	430	610	830	870	790	670	3,770
76	Expensing of environmental remediation costs	80	70	20	–10	–10	–20	–10	–30
77	Deferral of capital gains with respect of dispositions of transmission property		–490	–620	–530	–230	100	360	–920
	Education, training, employment, and social services								
	Education:								
78	Exclusion of scholarship and fellowship income (normal tax method)	1,320	1,400	1,460	1,530	1,600	1,680	1,750	8,020
79	HOPE tax credit	3,320	3,410	3,220	3,320	3,350	3,420	3,580	16,890
80	Lifetime Learning tax credit	2,190	2,130	2,080	2,310	2,340	2,380	2,450	11,560
81	Education Individual Retirement Accounts	110	140	190	240	300	370	440	1,540
82	Deductibility of student-loan interest	760	780	800	810	820	830	840	4,100
83	Deduction for higher education expenses	1,280	1,830	1,840					1,840
84	State prepaid tuition plans	210	490	650	740	830	920	1,010	4,150
85	Exclusion of interest on student-loan bonds	290	310	340	350	370	380	390	1,830
86	Exclusion of interest on bonds for private nonprofit educational facilities	970	1,050	1,120	1,180	1,250	1,290	1,330	6,170
87	Credit for holders of zone academy bonds	90	110	130	130	140	140	140	680
88	Exclusion of interest on savings bonds redeemed to finance educational expenses	10	10	20	20	20	20	20	100
89	Parental personal exemption for students age 19 or over	3,200	2,670	2,110	1,840	1,630	1,450	1,340	8,370
90	Deductibility of charitable contributions (education)	3,690	3,420	3,680	4,030	4,260	4,550	4,870	21,390
91	Exclusion of employer-provided educational assistance	530	560	590	620	650	690	720	3,270
92	Special deduction for teacher expenses	150	160	150					150
93	Discharge of student loan indebtedness		20	20	20	20	20	20	100
	Training, employment, and social services:								
94	Work opportunity tax credit	280	250	280	190	60	30	10	570
95	Welfare-to-work tax credit	60	60	80	60	20	10		170
96	Employer provided child care exclusion	600	620	810	930	970	1,010	1,060	4,780
97	Employer-provided child care credit		8	10	10	10	10	10	50
98	Assistance for adopted foster children	290	310	350	380	420	460	500	2,110
99	Adoption credit and exclusion	450	500	540	560	570	580	600	2,850
100	Exclusion of employee meals and lodging (other than military)	810	850	890	930	970	1,010	1,060	4,860
101	Child credit 2	22,400	32,710	32,810	32,900	32,860	32,790	32,670	164,030
102	Credit for child and dependent care expenses	2,990	3,140	2,810	1,900	1,800	1,710	1,630	9,850
103	Credit for disabled access expenditures	30	40	40	40	40	50	50	220
104	Deductibility of charitable contributions, other than education and health	27,370	29,670	32,550	34,500	36,790	39,410	42,210	185,460
105	Exclusion of certain foster care payments	440	440	440	450	450	460	470	2,270
106	Exclusion of parsonage allowances	430	460	480	510	540	580	610	2,720
	Health								
107	Exclusion of employer contributions for medical insurance premiums and medical care	102,250	112,160	125,690	139,060	152,560	166,190	176,740	760,240
108	Self-employed medical insurance premiums	3,330	3,780	4,330	4,800	5,260	5,760	6,250	26,400
109	Medical Savings Accounts/Health Savings Accounts	620	1,050	1,830	2,650	3,510	3,960	3,910	15,860
110	Deductibility of medical expenses	7,380	8,590	9,140	9,970	11,100	11,890	12,670	54,770
111	Exclusion of interest on hospital construction bonds	1,870	2,020	2,160	2,260	2,400	2,470	2,550	11,840
112	Deductibility of charitable contributions (health)	3,090	3,350	3,670	3,890	4,150	4,450	4,770	20,930
113	Tax credit for orphan drug research	180	210	230	260	290	330	360	1,470
114	Special Blue Cross/Blue Shield deduction	400	390	360	390	340	370	430	1,890
115	Tax credit for health insurance purchased by certain displaced and retired individuals 3	50	60	40	40	40	50	50	220
	Income security								
116	Exclusion of railroad retirement system benefits	400	400	400	400	400	400	400	2,000
117	Exclusion of workers' compensation benefits	5,490	5,730	5,940	6,100	6,300	6,520	6,730	31,590
118	Exclusion of public assistance benefits (normal tax method)	410	430	450	470	490	510	480	2,400
119	Exclusion of special benefits for disabled coal miners	60	50	50	50	40	40	40	220
120	Exclusion of military disability pensions	100	100	110	110	110	120	120	570
	Net exclusion of pension contributions and earnings:								
121	Employer plans	46,970	50,330	51,050	52,570	47,530	45,310	44,570	241,030
122	401(k) plans	47,730	45,870	48,140	51,800	56,140	60,930	66,400	283,410
123	Individual Retirement Accounts	7,450	7,340	7,310	6,990	6,680	6,220	5,650	32,850
124	Low and moderate income savers credit	970	1,100	1,170	700				1,870
125	Keogh plans	8,830	9,380	9,980	10,650	11,610	12,650	13,780	58,670
	Exclusion of other employee benefits:								
126	Premiums on group term life insurance	2,070	2,090	2,110	2,110	2,150	2,180	2,200	10,750
127	Premiums on accident and disability insurance	260	280	290	300	310	320	330	1,550
128	Small business retirement plan credit	80	100	120	140	150	150	140	700
129	Income of trusts to finance supplementary unemployment benefits	20	20	20	20	20	20	20	100
130	Special ESOP rules	1,920	2,060	2,220	2,400	2,580	2,780	3,000	12,980
131	Additional deduction for the blind	30	40	40	40	40	40	40	200
132	Additional deduction for the elderly	1,700	1,810	1,960	1,940	1,900	1,930	1,950	9,680
133	Tax credit for the elderly and disabled	20	20	20	20	10	10	10	70
134	Deductibility of casualty losses	550	250	270	280	290	300	320	1,460
135	Earned income tax credit 4	4,890	4,980	5,420	5,170	5,290	5,480	5,600	26,960
	Social Security								
	Exclusion of social security benefits								
136	Social Security benefits for retired workers	19,200	19,480	19,770	20,470	20,900	21,260	23,720	106,120
137	Social Security benefits for disabled	3,580	3,740	3,870	4,110	4,290	4,500	4,910	21,680
138	Social Security benefits for dependents and survivors	4,140	4,120	3,990	4,030	3,880	3,920	4,060	19,880
	Veterans benefits and services								
139	Exclusion of veterans death benefits and disability compensation	3,300	3,560	3,750	4,030	4,190	4,360	4,520	20,850
140	Exclusion of veterans pensions	110	120	120	120	120	130	140	630
141	Exclusion of GI bill benefits	130	150	160	170	180	190	200	900
142	Exclusion of interest on veterans housing bonds	50	50	50	60	60	60	60	290
	General purpose fiscal assistance								
143	Exclusion of interest on public purpose State and local bonds	26,150	26,530	26,610	26,350	27,140	27,950	28,790	136,840
144	Deductibility of nonbusiness state and local taxes other than on owner-occupied homes	45,290	39,090	34,620	32,890	31,850	31,760	32,120	163,240
145	Tax credit for corporations receiving income from doing business in US possessions	1,000	900	500	50				550
	Interest								
146	Deferral of interest on US savings bonds	50	50	50	50	60	70	70	300
	Addendum: Aid to State and local governments								
	Deductibility of:								
	Property taxes on owner-occupied homes	19,930	16,590	14,830	14,110	13,400	13,000	12,800	68,140
	Nonbusiness State and local taxes other than on owner-occupied homes	45,290	39,090	34,620	32,890	31,850	31,760	32,120	163,240
	Exclusion of interest on State and local bonds for:								
	Public purposes	26,150	26,530	26,610	26,350	27,140	27,950	28,790	136,840
	Energy facilities	100	100	110	110	120	120	130	590
	Water, sewage, and hazardous waste disposal facilities	500	530	570	600	630	650	680	3,130
	Small-issues	450	490	510	540	580	590	610	2,830
	Owner-occupied mortgage subsidies	1,020	1,110	1,180	1,230	1,320	1,350	1,390	6,470
	Rental housing	360	390	410	420	460	470	480	2,240
	Airports, docks, and similar facilities	850	930	980	1,030	1,100	1,130	1,170	5,410
	Student loans	290	310	340	350	370	380	390	1,830
	Private nonprofit educational facilities	970	1,050	1,120	1,180	1,250	1,290	1,330	6,170
	Hospital construction	1,870	2,020	2,160	2,260	2,400	2,470	2,550	11,840
	Veterans' housing	50	50	50	60	60	60	60	290
	Credit for holders of zone academy bonds	90	110	130	130	140	140	140	680

[1] In addition, the partial exemption from the excise tax and excise credits for alcohol fuels result in a reduction in excise tax receipts (in millions of dollars) as follows: 2004 $1,450; 2005 $1,490; 2006 $1,550; 2007 $1,590; 2008 $1,620; 2009 $1,650; and 2010 $1,680.

[2]The figures in the table indicate the effect of the child tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2004 $8,857; 2005 $13,516; 2006 $13,180; 2007 $12,549; 2008 $12,040; 2009 $11,693 and 2010 $11,364

[3] In addition to the receipts shown, there are outlays of $70 million in 2004, $90 million in 2005, $100 million in 2006, $120 million in 2007, $130 million in 2008, and $140 million in 2009 and $150 million in 2010 projected.

[4] The figures in the table indicate the effect of the earned income tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2004 $33,134;2005 $33,790; 2006 $34,132; 2007 $34,481; 2008 $34,723; 2009 $35,517; and 2010 $36,099.

Note: Provisions with estimates denoted normal tax method have no revenue loss under the reference tax law method

Source: Office of Management and Budget, Analytical Perspectives, Budget of the United States Government Fiscal Year 2006

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES: 2003-2009

Total from corporations and individuals (in millions of dollars)

		2003	2004	2005	2006	2007	2008	2009	2005-09
	National Defense								
1	Exclusion of benefits and allowances to armed forces personnel	2,210	2,240	2,260	2,290	2,310	2,330	2,350	11,540
	International affairs:								
2	Exclusion of income earned abroad by U.S. citizens	2,620	2,680	2,750	2,810	2,940	3,100	3,270	14,870
3	Exclusion of certain allowances for Federal employees abroad	770	800	840	880	920	1,030	1,010	4,680
4	Extraterritorial income exclusion	5,150	5,510	5,880	6,290	6,730	7,200	7,700	33,810
5	Inventory property sales source rules exception	1,540	1,620	1,700	1,790	1,880	1,980	2,080	9,430
6	Deferral of income from controlled foreign corporations (normal tax method)	7,450	7,900	8,400	8,930	9,550	10,210	10,920	48,010
7	Deferred taxes for financial firms on certain income earned overseas	2,050	2,130	2,190	2,200	960	0	0	5,410
	General science, space, and technology:								
8	Expensing of research and experimentation expenditures (normal tax method)	-1,980	-2,350	4,500	8,290	7,110	6,360	5,570	31,830
9	Credit for increasing research activities	4,960	4,400	2,550	1,090	460	150	60	4,310
	Energy:								
10	Expensing of exploration and development costs, fuels	210	270	170	80	70	60	40	420
11	Excess of percentage over cost depletion, fuels	640	620	580	590	610	610	610	3,000
12	Alternative fuel production credit	1,280	890	890	890	890	350	0	3,020
13	Exception from passive loss limitation for working interests in oil and gas properties	20	20	20	20	20	20	20	100
14	Capital gains treatment of royalties on coal	100	110	120	120	130	130	140	640
15	Exclusion of interest on energy facility bonds	90	100	110	110	120	130	130	600
16	Enhanced oil recovery credit	400	400	410	420	430	440	450	2,150
17	Refinery expensing	280	350	370	370	370	370	370	1,850
18	Alcohol fuel credits [1]	30	30	30	30	30	30	30	150
19	Tax credit and deduction for clean-fuel burning vehicles	70	60	10	-30	-70	-60	-70	-210
20	Exclusion from income of conservation subsidies provided by public utilities	80	80	80	80	80	80	80	400
	Natural resources and environment:								
21	Expensing of exploration and development costs, nonfuel minerals	10	10	10	10	10	10	10	50
22	Excess of percentage over cost depletion, nonfuel minerals	250	250	260	260	270	280	280	1,350
23	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	450	490	530	570	590	630	650	2,970
24	Capital gains treatment of certain timber income	100	110	120	120	130	130	140	640
25	Expensing of multiperiod timber growing costs	340	340	350	370	380	400	410	1,910
26	Tax incentives for preservation of historic structures	270	290	300	320	330	340	370	1,660
	Agriculture:								
27	Expensing of certain capital outlays	120	130	130	130	140	150	160	710
28	Expensing of certain multiperiod production costs	90	90	90	100	100	100	100	490
29	Treatment of loans forgiven for solvent farmers	10	10	10	10	10	10	10	50
30	Capital gains treatment of certain income	1,050	1,100	1,160	1,220	1,280	1,350	1,420	6,430
31	Income averaging for farmers	70	80	80	80	80	90	90	420
32	Deferral of gain on sale of farm refiners	10	10	10	10	20	20	20	80
	Commerce and housing:								
	Financial institutions and insurance:								
33	Exemption of credit union income	1,300	1,360	1,430	1,500	1,570	1,650	1,730	7,880
34	Excess bad debt reserves of financial institutions	40	30	20	20	10	0	0	50
35	Exclusion of interest on life insurance savings	18,900	20,500	22,130	24,010	26,050	28,260	30,660	131,110
36	Special alternative tax on small property and casualty insurance companies	120	120	130	130	140	140	140	680
37	Small life insurance company deduction	190	210	220	240	250	260	280	1,250
38	Small life insurance company deduction	90	90	90	90	90	90	90	450
	Housing:								
	Exclusion of interest on owner-occupied mortgage subsidy								
39	bonds	910	990	1,080	1,150	1,200	1,280	1,320	6,030
40	Exclusion of interest on rental housing bonds	280	310	350	370	380	400	410	1,910
41	Deductibility of mortgage interest on owner-occupied homes	61,160	62,590	69,740	74,800	78,420	83,030	87,920	393,910
42	Deductibility of State and local property tax on owner-occupied homes	22,090	21,740	19,410	16,110	14,580	13,640	13,110	76,850
43	Deferral of income from post 1987 installment sales	1,080	1,100	1,120	1,140	1,160	1,180	1,200	5,810
44	Capital gains exclusion on home sales	20,260	20,860	21,490	22,140	22,800	23,480	24,190	114,100
45	Exception from passive loss rules for $25,000 of rental loss	5,710	4,570	4,390	4,210	4,020	3,840	3,660	20,120
46	Credit for low-income housing investments	6,210	6,530	6,860	7,190	7,470	7,830	8,210	37,500
47	Accelerated depreciation on rental housing (normal tax method)	1,220	620	-170	-1,110	-2,330	-3,560	-4,900	-12,070
	Commerce:								
48	Cancellation of indebtedness	20	30	30	30	40	40	40	180
49	Exceptions from imputed interest rules	50	50	50	50	50	50	50	250
50	Capital gains (except agriculture, timber, iron ore, and coal) [2]	25,730	27,300	30,190	32,930	36,410	48,930	29,210	177,670
51	Capital gains exclusion of small corporation stock	130	160	210	250	300	350	390	1,500
52	Step-up basis of capital gains at death	14,880	16,280	18,240	20,240	22,240	24,190	26,010	110,920
53	Carryover basis of capital gains on gifts	590	390	450	540	550	580	620	2,740
54	Ordinary income treatment of loss from small business corporation stock sale	40	50	50	50	50	50	50	250
55	Accelerated depreciation of buildings other than rental housing (normal tax method)	-2,290	-3,190	-4,060	-4,690	-6,810	-10,170	-14,430	-40,160
56	Accelerated depreciation of machinery and equipment (normal tax method)	-48,520	46,800	-10,920	-37,940	-31,040	-28,770	-27,590	-136,260
57	Expensing of certain small investments (normal tax method)	1,030	1,590	4,850	1,650	-490	-30	130	6,110
58	Amortization of start-up costs (normal tax method)	110	120	130	150	160	160	160	760
59	Graduated corporation income tax rate (normal tax method)	3,030	3,090	3,910	4,650	4,800	4,890	5,040	23,290
60	Exclusion of interest on small issue bonds	390	430	470	490	520	550	570	2,600
	Transportation:								
61	Deferral of tax on shipping companies	20	20	20	20	20	20	20	100
62	Exclusion of reimbursed employee parking expenses	2,130	2,240	2,360	2,490	2,610	2,740	2,880	13,080
63	Exclusion for employer-provided transit passes	320	380	450	520	590	660	730	2,950
	Community and regional development:								
64	Investment credit for rehabilitation of structures (other than historic)	30	30	30	30	30	30	30	150
65	Exclusion of interest for airport, dock, and similar bonds	770	840	910	970	1,020	1,080	1,110	5,090
66	Exemption of certain mutuals' and cooperatives' income	60	60	70	70	70	70	70	350
67	Empowerment zones, Enterprise communities, and Renewal communities	1,070	1,080	1,120	1,210	1,320	1,470	1,730	6,850
68	New markets tax credit	190	290	430	610	830	870	790	3,530
69	Expensing of environmental remediation costs	80	20	-10	-10	-10	-10	-10	-50
	Education, training, employment, and social services:								
	Education:								
	Exclusion of scholarship and fellowship income (normal tax								
70	method)	1,260	1,260	1,340	1,400	1,410	1,420	1,420	6,990
71	HOPE tax credit	3,290	3,420	3,510	3,290	3,330	3,320	3,310	16,760
72	Lifetime Learning tax credit	1,910	2,250	2,180	2,120	2,320	2,320	2,300	11,240
73	Education Individual Retirement Accounts	70	110	140	190	240	300	370	1,240
74	Deductibility of student-loan interest	730	760	780	800	820	830	840	4,070
75	Deduction for higher education expenses	1,730	1,810	2,580	2,610	0	0	0	5,190
76	State prepaid tuition plans	30	150	320	430	510	590	660	2,510
77	Exclusion of interest on student-loan bonds	260	280	310	320	340	360	380	1,710
78	Exclusion of interest on bonds for private nonprofit educational facilities	780	850	930	990	1,030	1,100	1,130	5,180
79	Credit for holders of zone academy bonds	80	90	110	130	130	140	140	650
80	Exclusion of interest on savings bonds redeemed to finance educational expenses	10	10	10	10	20	20	20	80
81	Parental personal exemption for students age 19 or over	3,140	3,130	2,550	2,000	1,760	1,580	1,430	9,320
82	Deductibility of charitable contributions (education)	3,670	3,390	3,660	4,000	4,230	4,510	4,830	21,230
83	Exclusion of employer-provided educational assistance	500	530	260	590	620	660	690	2,820
84	Special deduction for teacher expenses	140	140	0	0	0	0	0	0
	Training, employment, and social services:								
85	Work opportunity tax credit	430	370	170	70	30	0	0	270
86	Welfare-to-work tax credit	60	60	40	30	20	0	0	90
87	Employer provided child care exclusion	590	620	770	870	920	960	1,010	4,530
88	Employer-provided child care credit	90	130	290	140	150	160	170	180	800
89	Assistance for adopted foster children	250	450	330	380	430	480	540	2,160
90	Adoption credit and exclusion	220	810	500	540	560	570	580	2,750
91	Exclusion of employee meals and lodging (other than military)	750	810	850	890	930	970	1,000	4,640
92	Pension contributions	32,970	24,370	29,870	32,550	34,500	36,790	39,410	172,920
93	Credit for child and dependent care expenses	2,720	2,990	2,690	2,310	2,030	1,980	1,780	10,810
94	Credit for disabled access expenditures	50	50	60	60	60	60	60	300
95	Deductibility of charitable contributions, other than education and health	30,020	27,370	29,670	32,550	34,500	36,790	39,410	172,920
96	Exclusion of certain foster care payments	430	430	440	450	460	470	570	2,390
97	Exclusion of parsonage allowances	380	400	420	450	480	510	540	2,400
	Health:								
98	Exclusion of employer contributions for medical insurance premiums and medical care	101,920	106,720	112,990	120,940	129,830	139,620	150,300	653,670
99	Deductibility of self-employed medical insurance programs	2,550	3,740	3,780	4,090	4,370	4,750	5,150	22,140
100	Medical Savings Accounts/Health Savings Accounts	-30	-140	-570	-960	-1,380	-1,920	-2,180	-7,010
101	Deductibility of medical expenses	6,240	6,880	7,900	8,480	9,180	10,200	10,990	46,750
102	Exclusion of interest on hospital construction bonds	1,620	1,780	1,930	2,090	2,160	2,290	2,360	10,800
103	Deductibility of charitable contributions (health)	3,390	3,090	3,350	3,670	3,890	4,150	4,450	19,510
104	Tax credit for orphan drug research	160	180	200	220	250	280	310	1,260
105	Special Blue Cross/Blue Shield deduction	350	320	310	280	310	260	290	1,450
106	Tax credit for health insurance purchased by certain displaced and retired individuals [4]	0	50	60	60	70	70	80	340
	Income security:								
107	Exclusion of railroad retirement system benefits	400	400	400	400	400	400	400	2,000
108	Exclusion of workers' compensation benefits	6,100	6,460	6,850	7,270	7,710	8,190	8,690	38,710
109	Exclusion of public assistance benefits (normal tax method)	400	410	430	450	470	490	510	2,350
110	Exclusion of special benefits for disabled coal miners	50	60	10	50	50	40	40	230
111	Exclusion of military disability pensions	100	110	110	110	110	120	120	570
	Defined benefit pension contributions and earnings:								
112	Employer plans	59,480	58,380	61,740	66,370	62,650	58,360	60,440	309,560
113	401(k) plans	51,560	56,740	58,910	61,340	65,790	71,080	75,440	332,520
114	Individual Retirement Accounts	20,060	19,810	20,090	20,610	20,150	19,710	19,490	100,050
115	Low and moderate income savers credit	880	960	1,100	1,210	730	0	0	3,040
116	Keogh plans	6,020	8,730	9,260	9,860	10,530	11,480	12,500	53,630
	Exclusion of other employee benefits:								
117	Premiums on group term life insurance	1,800	1,830	1,860	1,890	1,920	1,950	1,990	9,610
118	Premiums on accident and disability insurance	230	240	250	260	270	280	290	1,350
119	Income of trusts to finance supplementary unemployment benefits	40	80	100	130	140	150	150	670
120	Income of trusts to finance supplementary unemployment benefits	30	30	30	30	30	30	30	150
121	Special ESOP rules	1,790	1,920	2,060	2,220	2,400	2,580	2,780	12,040
122	Additional deduction for the blind	40	30	40	40	40	40	40	200
123	Additional deduction for the elderly	1,840	1,710	1,800	1,900	1,940	1,920	1,940	9,520
124	Tax credit for the elderly and disabled	20	10	10	10	10	10	10	50
126	Earned income tax credit [5]	5,099	4,884	5,006	5,477	5,515	5,603	5,780	27,381
	Social Security:								
	Exclusion of social security benefits:								
127	Social Security benefits for retired workers	18,600	19,620	19,040	19,370	20,390	19,710	19,910	98,420
128	Social Security benefits for disabled	3,230	3,570	3,720	3,840	4,080	4,280	4,500	20,420
129	Social Security benefits for dependents and survivors	4,060	4,380	4,310	4,160	4,190	4,030	4,040	20,730
	Veterans benefits and services:								
130	Exclusion of veterans death benefits and disability compensation	3,320	3,300	3,600	3,930	4,170	4,300	4,560	20,560
131	Exclusion of veterans pensions	100	100	100	110	110	110	120	550
132	Exclusion of GI bill benefits	110	120	130	130	160	170	170	760
133	Exclusion of interest on veterans housing bonds	40	50	50	50	60	60	60	280
	General purpose fiscal assistance:								
134	Exclusion of interest on public purpose State and local bonds	25,480	25,980	26,370	26,440	26,150	26,940	27,750	133,650
135	Deductibility of nonbusiness state and local taxes other than on owner-occupied homes	49,770	49,470	46,180	39,100	35,930	34,710	34,370	190,290
136	Tax credit for corporations receiving income from doing business in Puerto Rico	1,200	1,150	1,100	800	0	0	0	1,900
	Deferral of interest on U.S. savings bonds	590	670	750	840	920	1,000		3,560
	Interest								
137	Deferral of interest on U.S. savings bonds	30	40	40	40	40	40	50	210
	Addendum: Aid to State and local governments:								
	Deductibility of:								
	Property taxes on owner-occupied homes	22,090	21,740	19,410	16,110	14,580	13,640	13,110	76,850
	Nonbusiness State and local taxes other than on owner-occupied homes	49,770	49,470	46,180	39,100	35,930	34,710	34,370	190,290
	Exclusion of interest on State and local bonds for:								
	Public purposes	25,480	25,980	26,370	26,440	26,150	26,940	27,750	133,650
	Energy facilities	90	100	110	110	120	130	130	600
	Water, sewage, and hazardous waste disposal facilities	450	490	530	570	590	630	650	2,970
	Small-issues	390	430	470	490	520	550	570	2,600
	Owner-occupied mortgage subsidies	910	990	1,080	1,150	1,200	1,280	1,320	6,030
	Rental housing	280	310	350	370	380	400	410	1,910
	Airports, docks, and similar facilities	770	840	910	970	1,020	1,080	1,110	5,090
	Student loans	260	280	310	320	340	360	380	1,710
	Private nonprofit educational facilities	780	850	930	990	1,030	1,100	1,130	5,180
	Hospital construction	1,620	1,780	1,930	2,090	2,160	2,290	2,360	10,800
	Veterans' housing	40	50	50	50	60	60	60	280
	Credit for holders of zone academy bonds	80	90	110	130	130	140	140	650

[1] In addition, the partial exemption from the excise tax for alcohol fuels results in a reduction in excise tax receipts (in millions of dollars) as follows: 2003 $1,100; 2004 $1,260; 2005 $1,370; 2006 $1,430; 2007 $1,470; 2008 $1,510; and 2009 $1,550.

[2] If corporate equity were to be included the revenue loss estimates would be $48,540 in 2003, $51,510 in 2004, $56,970 in 2005, $62,140 in 2006, $68,690 in 2007, $92,320 in 2008, and $55,110 in 2009. Similarly, if the reduced tax rate on dividends were to be included, the revenue loss estimates would be $1,810 in 2003, $16,720 in 2004, $13,280 in 2005, $13,880 in 2006, $14,480 in 2007, $15,970 in 2008, and $8,540 in 2009.

[3] The figures in the table indicate the effect of the child tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2003 $6,430; 2004 $7,447; 2005 $11,488; 2006 $8,440; 2007 $8,237; 2008 $7,956; and 2009 $7,909.

[4] In addition to the receipts shown outlays of $60 million in 2004, $90 million in 2005, $100 million in 2006, $120 million in 2007, $130 million in 2008, and $140 million in 2009 are projected.

[5] The figures in the table indicate the effect of the earned income tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2003 $31,961; 2004 $33,551; 2005 $34,148; 2006 $34,486; 2007 $34,338; 2008 $34,359; and 2009 $35,161.

Note: Provisions with estimates denoted normal tax method have no revenue loss under the reference tax law method. All estimates have been rounded to the nearest $10 million. Provisions with estimates that rounded to zero in each year are not included in the table.

Source: Office of Management and Budget, Analytical Perspectives, Budget of the United States Government Fiscal Year 2005.

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES: 2002-2008

Total from corporations and individuals

		2002	2003	2004	2005	2006	2007	2008	2004-08
	National Defense								
	Exclusion of benefits and allowances to armed forces								
1	personnel	2,190	2,210	2,240	2,260	2,290	2,310	2,330	11,430
	International affairs:								
2	Exclusion of income earned abroad by U.S. citizens	2,740	2,620	2,680	2,750	2,810	2,940	3,100	14,280
	Exclusion of certain allowances for Federal employees								
3	abroad	760	800	840	880	930	980	1,030	4,660
4	Foreign earned income exclusion	4,470	4,610	4,750	4,890	5,040	5,190	5,350	24,820
5	Inventory property sales source rules exception	1,470	1,340	1,520	1,700	1,790	1,850	1,280	8,070
	Deferral of income from controlled foreign corporations								
6	(normal tax method)	7,000	7,450	7,900	8,400	8,930	9,550	10,210	44,990
	Deferred taxes for financial firms on certain income earned								
7	overseas	1,950	2,050	2,130	2,190	2,260	960	0	7,540
	General science, space, and technology:								
	Expensing of research and experimentation expenditures								
8	(normal tax method)	1,660	2,200	2,760	3,390	3,990	4,270	4,380	18,790
9	Credit for increasing research activities	6,870	5,640	4,990	2,910	1,240	520	170	9,830
	Energy:								
10	Expensing of exploration and development costs, fuels	150	170	150	80	60	40	30	360
11	Excess of percentage over cost depletion, fuels	610	670	650	610	620	640	650	3,170
12	Alternative fuel production credit	1,560	940	520	520	520	520	210	2,290
	Exception from passive loss limitation for working interests in								
13	oil and gas properties	10	10	10	10	10	10	10	50
14	Capital gains treatment of royalties on coal	100	110	110	120	120	130	140	620
15	Exclusion of interest on energy facility bonds	110	120	130	140	140	150	160	720
16	Enhanced oil recovery credit	330	340	350	360	360	370	390	1,830
17	New technology credit	100	180	250	270	270	270	270	1,330
18	Alcohol fuels credits [1]	70	30	70	30	30	30	30	150
19	Tax credit and deduction for clean-fuel burning vehicles	70	90	70	40	−10	−10	−70	−40
	Exclusion from income of conservation subsidies provided by								
20	public utilities	80	80	80	80	80	80	80	400
	Natural resources and environment:								
	Expensing of exploration and development costs, nonfuel								
21	minerals	30	30	30	30	30	40	40	170
22	Excess of percentage over cost depletion, nonfuel minerals	260	260	270	280	290	290	300	1,430
	Exclusion of interest on bonds for water, sewage, and								
23	hazardous waste facilities	450	2480	540	580	610	650	680	3,060
24	Capital gains treatment of certain timber income	100	110	110	120	120	130	140	620
25	Expensing of multiperiod timber growing costs	360	370	380	380	400	410	410	1,980
26	Tax incentives for preservation of historic structures	200	210	230	240	250	260	280	1,260
	Agriculture:								
27	Expensing of certain capital outlays	170	180	170	170	170	170	190	870
28	Expensing of certain multiperiod production costs	130	130	120	120	120	120	120	600
29	Treatment of loans forgiven for solvent farmers	10	10	10	10	10	10	10	50
30	Capital gains treatment of certain income	1,010	1,060	1,120	1,180	1,250	1,310	1,380	6,240
31	Crop insurance proceeds	70	70	80	80	80	90	90	420
32	Deferral of gain on sale of farm refiners	10	10	10	10	10	10	20	60
	Commerce and housing:								
	Financial institutions and insurance:								
33	Exemption of credit union income	1,020	1,090	1,160	1,240	1,320	1,410	1,510	6,640
34	Excess bad debt reserves of financial institutions	0	0	0	0	0	0	0	0
35	Exclusion of interest on life insurance savings	17,690	19,130	20,740	22,470	24,390	26,350	28,310	122,260
	Special alternative tax on small property and casualty								
36	insurance companies	10	10	10	10	10	10	10	50
	Tax exemption of certain insurance companies owned by tax--								
37	exempt organizations	210	220	240	250	270	280	290	1,330
38	Small life insurance company deduction	100	100	100	100	100	100	100	500
	Housing:								
	Exclusion of interest on owner-occupied mortgage subsidy								
39	bonds	870	960	1,050	1,140	1,210	1,270	1,360	6,030
40	Exclusion of interest on rental housing bonds	180	200	220	240	250	260	280	1,250
41	Deductibility of mortgage interest on owner-occupied homes	63,590	65,540	68,440	71,870	74,790	78,160	82,650	375,910
	Deductibility of State and local property tax on owner-								
42	occupied homes	21,790	22,320	22,160	19,750	16,240	14,580	13,580	86,310
43	Deferral of income from post 1987 installment sales	1,050	1,080	1,100	1,120	1,140	1,160	1,180	5,710
44	Capital gains exclusion on home sales	19,870	20,260	20,860	21,490	22,140	22,800	23,480	110,770
45	Exception from passive loss rules for $25,000 of rental loss	5,690	5,270	4,920	4,600	4,290	4,020	3,790	21,620
46	Credit for low-income housing investments	3,290	3,450	3,640	3,820	3,990	4,160	4,360	19,970
	Accelerated depreciation on rental housing (normal tax								
47	method)	1,590	1,080	310	−520	−1,770	−3,310	−4,570	−9,860
	Commerce:								
48	Cancellation of indebtedness	0	10	30	50	60	60	50	250
49	Exceptions from imputed interest rules	50	50	50	50	50	50	50	250
	Capital gains (except agriculture, timber, iron ore, and coal)								
50	provisions [1]	56,060	55,010	53,830	54,550	49,870	49,760	51,450	259,560
51	Capital gains exclusion of small corporation stock	190	130	160	210	250	300	350	1,270
52	Step-up basis of capital gains at death	26,890	27,590	28,500	29,630	30,490	31,370	32,390	152,380
53	Carryover basis of capital gains on gifts	640	640	450	540	640	600	630	2,810
	Ordinary income treatment of loss from small business								
54	corporation stock sale	40	40	50	50	50	50	50	250
	Accelerated depreciation of buildings other than rental								
55	housing (normal tax method)	-1,800	-2,350	−1,980	−6,520	−9,200	−12,360	−15,820	−45,880
	Accelerated depreciation of machinery and equipment								
56	(normal tax method)	47,770	31,110	16,870	−39,310	−35,260	−33,260	−31,570	−122,730
57	Expensing of certain small investments (normal tax method)	-360	-110	370	1,570	1,830	1,510	1,380	6,660
58	Amortization of startup costs (normal tax method)	110	130	150	160	160	170	170	810
59	Graduated corporation income tax rate (normal tax method)	4,870	5,380	5,700	5,880	6,100	6,350	6,640	30,670
60	Exclusion of interest on small issue bonds	330	360	400	430	450	470	510	2,260
	Transportation:								
61	Deferral of tax on shipping companies	20	20	20	20	20	20	20	100
62	Exclusion of reimbursed employee parking expenses	2,070	2,180	2,290	2,410	2,540	2,680	2,810	12,730
63	Exclusion for employer-provided transit passes	250	320	380	450	530	600	670	2,630
	Community and regional development:								
	Investment credit for rehabilitation of structures (other than								
64	historic)	30	30	30	30	30	30	30	150
65	Exclusion of interest for airport, dock, and similar bonds	690	750	830	890	950	1,000	1,060	4,730
66	Exemption of certain mutuals' and cooperatives' income	60	60	60	70	70	70	70	340
	Empowerment zones, Enterprise communities, and Renewal								
67	communities	730	1,130	1,170	1,260	1,410	1,580	1,750	7,190
68	New markets tax credit	90	190	290	430	610	830	870	3,030
69	Expensing of environmental remediation costs	80	80	20	−10	−10	−10	−10	−20
	Education, training, employment, and social services:								
	Education:								
	Exclusion of scholarship and fellowship income (normal tax								
70	method)	1,270	1,260	1,260	1,340	1,400	1,410	1,420	6,830
71	HOPE tax credit	4,110	3,520	2,880	2,930	2,730	2,900	2,790	14,230
72	Lifetime Learning tax credit	2,180	2,250	2,980	2,840	2,810	2,820	2,880	14,110
73	Education Individual Retirement Accounts	50	100	160	240	330	440	560	1,730
74	Deductibility of student-loan interest	450	640	660	680	700	720	720	3,480
75	Deduction for higher education expenses	420	2,230	2,880	3,620	2,940	0	0	9,440
76	State prepaid tuition plans	270	340	400	470	560	660	790	2,840
77	Exclusion of interest on student-loan bonds	240	260	290	310	340	350	370	1,660
	Exclusion of interest on bonds for private nonprofit								
78	educational facilities	580	640	700	760	810	850	900	4,020
79	Exclusion of interest of zone academy bonds	50	80	90	100	100	100	100	490
	Exclusion of interest on savings bonds redeemed to finance								
80	educational expenses	10	10	10	10	10	20	20	70
81	Parental personal exemption for students age 19 or over	2,480	3,310	3,230	2,690	2,020	1,670	1,470	11,080
82	Deductibility of charitable contributions (education)	4,020	4,140	4,350	4,640	4,820	4,970	5,230	24,010
83	Exclusion of employer-provided educational assistance	400	490	520	550	580	610	650	2,910
	Training, employment, and social services:								
84	Employer-provided transit benefit	380	560	430	190	80	40	20	760
85	Welfare-to-work tax credit	80	70	80	60	40	20	10	210
86	Employer provided child care exclusion	690	720	760	810	850	890	940	4,250
87	Employer-provided child care credit	40	90	130	140	150	160	170	750
88	Assistance for adopted foster children	220	250	290	330	380	430	480	1,910
89	Adoption credit and exclusion	140	220	450	500	540	560	570	2,620
	Exclusion of employee meals and lodging (other than								
90	military)	740	790	810	850	890	930	970	4,450
91	Child credit 2	22,170	21,440	21,310	22,480	24,280	33,940	23,660	115,670
92	Dependent care and dependent care expenses	2,750	2,910	3,230	2,860	2,380	2,160	2,080	12,710
93	Credit for disabled access expenditures	50	0	50	50	60	60	60	290
	Deductibility of charitable contributions, other than education								
94	and health	30860	32,100	33,990	35,710	37,360	38,780	41,160	187,000
95	Exclusion of certain foster care payments	450	430	430	440	450	460	470	2,250
96	Exclusion of parsonage allowances	350	380	400	420	450	480	510	2,260
	Health:								
	Exclusion of employer contributions for medical insurance								
97	premiums and medical care	99665	108,500	120,180	132,240	144,710	157,185	170,230	724,525
98	Self-employed medical insurance premiums	1760	2,500	3,990	3,940	4,220	4,520	4,890	21,560
99	Workers' compensation insurance premiums	5,350	5,770	6,190	6,630	7,020	7,450	8,020	35,330
100	Medical Savings Accounts	20	0	30	30	30	30	30	140
101	Deductibility of medical expenses	5710	6,060	6,340	6,490	6,610	6,980	7,380	33,800
102	Exclusion of interest on hospital construction bonds	1200	1,320	1,440	1,560	1,660	1,740	1,850	8,250
103	Deductibility of charitable contributions (health)	4240	4,360	4,580	4,900	5,070	5,220	5,490	25,260
104	Tax credit for orphan drug research	140	160	180	200	220	250	280	1,130
105	Special Blue Cross/Blue Shield deduction	300	340	310	300	270	300	250	1,430
	Tax credit for health insurance purchased by certain displaced								
106	and retired individuals	0	0	60	30	40	50	60	240
	Income security:								
107	Exclusion of railroad retirement system benefits	390	400	400	400	400	400	400	2,000
108	Exclusion of workers' compensation benefits	5750	6,100	6,440	6,850	7,270	7,710	8,190	36,460
109	Exclusion of public assistance benefits (normal tax method)	380	400	410	430	450	470	440	2,200
110	Exclusion of special benefits for disabled coal miners	70	60	60	50	50	50	40	250
111	Exclusion of military disability pensions	110	110	120	120	130	130	140	640
	Net exclusion of pension contributions and earnings:								
112	Employer plans	51200	63,480	67,870	70,540	73,200	67,500	61,440	340,550
113	401(k) plans	50830	52,920	55,290	57,830	61,490	65,060	68,030	307,700
114	Individual Retirement Accounts	19080	20,840	23,130	22,400	22,380	20,540	19,800	108,250
115	Low and moderate income savers credit	850	2,050	1,860	1,670	1,510	850	0	5,890
116	Keogh plans	7000	7,262	7,516	7,904	8,166	8,402	9,196	41,284
	Exclusion of other employee benefits:								
117	Premiums on group term life insurance	1790	1,800	1,830	1,860	1,890	1,920	1,950	9,450
118	Premiums on accident and disability insurance	220	230	240	250	260	270	280	1,300
119	Small business retirement plan credit	10	20	40	50	50	60	60	260
	Income of trusts to finance supplementary unemployment								
120	benefits	20	30	30	30	30	30	30	150
121	Special ESOP rules	1630	1,710	1,790	1,890	1,990	2,090	2,200	9,960
122	Additional deduction for the blind	40	40	40	40	40	40	40	200
123	Additional deduction for the elderly	1890	1,950	2,050	2,120	2,180	2,110	2,030	10,490
124	Tax credit for the elderly and disabled	70	70	70	70	70	70	70	350
125	Deductibility of casualty losses	280	400	420	440	460	500	540	2,360
126	Earned income tax credit 3	4450	4,930	5,090	5,280	5,410	5,580	5,790	27,150
	Social Security:								
	Exclusion of social security benefits:								
127	Social Security benefits for retired workers	18340	18,560	18,830	19,210	20,000	21,100	21,550	100,790
128	Social Security benefits for disabled	2910	3,210	3,570	3,950	4,360	4,870	4,390	21,140
129	Social Security benefits for dependents and survivors	3730	3,910	4,140	4,360	4,590	4,820	4,820	22,830
	Veterans benefits and services:								
	Exclusion of veterans death benefits and disability								
130	compensation	3160	3,230	3,400	3,590	3,780	3,980	4,190	18,940
131	Exclusion of veterans pensions	70	80	80	90	90	90	100	450
132	Exclusion of GI bill benefits	90	90	90	100	100	110	110	510
133	Exclusion of interest on veterans housing bonds	40	40	50	50	50	60	60	270
	General purpose fiscal assistance:								
134	Exclusion of interest on public purpose State and local bonds	25250	26,780	27,310	27,720	27,810	27,530	28,360	138,730
	Deductibility of nonbusiness state and local taxes other than								
135	on owner-occupied homes	47430	50,520	50,310	47,770	40,480	37,190	36,080	212,430
	Tax credit for corporations receiving income from doing								
136	business in U.S. possessions	2240	2,240	2,240	2,200	1,300	0	0	5,740
	Interest								
137	Deferral of interest on U.S. savings bonds	510	590	670	750	840	920	1,050	4,230
	Addendum: Aid to State and local governments:								
	Deductibility of:								
	Property taxes on owner-occupied homes	21760	22,320	22,160	19,750	16,240	14,580	13,580	86,310
	Nonbusiness State and local taxes other than on owner--								
	occupied homes	47430	50,520	50,310	47,770	40,480	37,190	36,080	212,430
	Exclusion of interest on State and local bonds for:								
	Public purposes	25250	26,780	27,310	27,720	27,810	27,530	28,360	138,730
	Energy facilities	110	120	130	140	140	150	160	720
	Water, sewage, and hazardous waste disposal facilities	450	480	540	580	610	650	680	3,060
	Stadiums	180	190	200	210	220	230	240	1,100
	Owner-occupied mortgage subsidies	870	960	1,050	1,140	1,210	1,270	1,360	6,030
	Rental housing	180	200	220	240	250	260	280	1,250
	Airports, docks, and similar facilities	690	750	830	890	950	1,000	1,060	4,730
	Student loans	240	260	290	310	340	350	370	1,660
	Private nonprofit educational facilities	580	640	700	760	810	850	900	4,020
	Hospital construction	1200	1,320	1,440	1,560	1,660	1,740	1,850	8,250
	Veterans' housing	40	40	50	50	50	60	60	270
	Credit for holders of zone academy bonds	50	80	90	100	100	100	100	490

1 In addition, the partial exemption from the excise tax for alcohol fuels results in a reduction in excise tax receipts (in millions of dollars) as follows: 2002 $1,070; 2003 $1,140; 2004 $1,230; 2005 $1,320; 2006 $1,370; 2007 $1,400; and 2008 $1,430.

2 The figures in the table indicate the effect of the child tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2002 $5,060; 2003 $5,870; 2004 $5,860; 2005 $5,700; 2006 $7,630; 2007 $7,630; and 2008 $7,500

3 The figures in the table indicate the effect of the earned income tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2002 $27,830; 2003 $30,610; 2004 $31,380; 2005 $32,090; 2006 $33,450; 2007 $34,480; and 2008 $35,380.

Note: Provisions with estimates denoted normal tax method have no revenue loss under the reference tax law method. All estimates have been rounded to the nearest $10 million. Provisions with estimates that rounded to zero in each year are not included in the table.

Source: Office of Management and Budget, Analytical Perspectives, Budget of the United States Government Fiscal Year 2004, February, 2003

ESTIMATES OF TOTAL INCOME TAX EXPENDITURES: 2001-2007

Total from corporations and individuals

		2001	2002	2003	2004	2005	2006	2007	2003–200
	National Defense								
1	Exclusion of benefits and allowances to armed forces personnel	2,160	2,190	2,210	2,240	2,260	2,290	2,310	11,310
	International affairs:								
2	Exclusion of income earned abroad by U.S. citizens	2,450	2,540	2,660	2,690	2,760	2,810	3,170	14,090
3	Exclusion of certain allowances for Federal employees abroad	760	800	840	880	920	960	1,020	4,620
4	Extraterritorial income exclusion	4,490	4,820	5,150	5,510	5,890	6,290	6,730	29,570
5	Inventory property sales source rules exception	1,400	1,470	1,540	1,620	1,700	1,790	1,880	8,530
6	Deferral of income from controlled foreign corporations (normal tax method)	6,600	7,000	7,450	7,900	8,400	8,930	9,550	42,230
7	Deferred taxes for financial firms on certain income earned overseas	1,300	550	0	0	0	0	0	0
	General science, space, and technology:								
8	Expensing of research and experimentation expenditures (normal tax method)	2,020	1,780	2,380	2,880	3,400	3,910	4,160	16,730
9	Credit for increasing research activities	5,370	6,010	4,590	4,020	2,330	990	410	12,350
	Energy:								
10	Expensing of exploration and development costs, fuels	50	60	70	90	90	100	100	450
11	Excess of percentage over cost depletion, fuels	250	260	270	290	300	310	320	1,490
12	Alternative fuel production credit	900	850	410	130	130	130	130	930
13	Exception from passive loss limitation for working interests in oil and gas properties	20	20	20	20	20	20	20	100
14	Capital gains treatment of royalties on coal	100	100	110	120	120	130	140	620
15	Exclusion of interest on energy facility bonds	90	90	100	120	130	140	150	640
16	Alternative fuel recovery credit	310	380	440	530	650	760	910	3,280
17	New technology credit	90	90	100	100	100	90	90	480
18	Alcohol fuel credits	30	30	30	30	30	30	30	150
19	Tax credit and deduction for clean-fuel burning vehicles	50	50	50	20	–10	–50	–50	–40
20	Exclusion from income of conservation subsidies provided by public utilities	70	70	70	70	70	70	60	340
	Natural resources and environment:								
21	Expensing of exploration and development costs, nonfuel minerals	10	10	10	10	10	10	10	50
22	Excess of percentage over cost depletion, nonfuel minerals	250	260	270	290	300	300	310	1,470
23	Exclusion of interest on bonds for water, sewage, and hazardous waste facilities	400	420	440	480	530	580	630	2,660
24	Capital gains treatment of certain timber income	100	100	110	120	120	130	140	620
25	Expensing of multiperiod timber growing costs	360	360	370	380	390	400	410	1,950
26	Tax incentives for preservation of historic structures	180	200	210	220	230	240	250	1,150
	Agriculture:								
27	Expensing of certain capital outlays	170	170	170	170	170	170	170	850
28	Expensing of certain multiperiod production costs	120	130	130	130	120	120	120	620
29	Treatment of loans forgiven for solvent farmers	10	10	10	10	10	10	10	50
30	Capital gains treatment of certain income	990	1,040	1,100	1,160	1,220	1,290	1,360	6,130
31	Income averaging for farmers	70	70	70	70	80	80	80	380
32	Deferral of gain on sale of farm refiners	10	10	10	10	10	10	10	50
	Commerce and housing:								
	Financial institutions and insurance:								
33	Exemption of credit union income	1,000	1,070	1,150	1,230	1,320	1,420	1,530	6,650
34	Excess bad debt reserves of financial institutions	60	50	30	20	10	0	0	60
35	Exclusion of interest on life insurance savings	16,290	17,710	19,250	20,940	22,780	24,790	26,930	114,690
36	Special alternative tax on small property and casualty insurance companies	10	10	10	10	10	10	10	50
37	Tax exemption of certain insurance companies owned by tax-exempt organizations	220	230	250	260	280	290	300	1,380
38	Small life insurance company deduction	100	100	100	100	100	100	100	500
	Housing:								
39	Exclusion of interest on owner-occupied mortgage subsidy bonds	800	830	870	960	1,050	1,140	1,240	5,260
40	Exclusion of interest on rental housing bonds	160	170	180	200	220	240	260	1,100
41	Deductibility of mortgage interest on owner-occupied homes	64,510	64,190	66,110	68,070	70,870	73,560	76,870	355,480
42	Deductibility of State and local property tax on owner-occupied homes	22,410	22,680	23,580	23,210	20,330	16,300	14,410	97,830
43	Deferral of income from post 1987 installment sales	1,040	1,050	1,080	1,100	1,120	1,140	1,160	5,600
44	Capital gains exclusion on home sales	19,090	19,670	20,260	20,860	21,490	22,140	22,800	107,550
45	Exception from passive loss rules for $25,000 of rental loss	4,800	4,400	4,070	3,780	3,530	3,290	3,090	17,760
46	Credit for low-income housing investments	3,220	3,330	3,460	3,630	3,810	3,980	4,130	19,010
47	Accelerated depreciation on rental housing (normal tax method)	5,190	5,440	5,710	5,790	5,800	5,720	5,800	28,820
	Commerce:								
48	Cancellation of indebtedness	30	30	30	40	40	40	40	190
49	Exceptions from imputed interest rules	80	80	80	80	80	80	80	400
50	Capital gains (except agriculture, timber, iron ore, and coal) (normal tax method)	67,800	61,810	60,200	56,990	56,180	50,670	49,880	273,920
51	Capital gains exclusion of small corporation stock	70	100	130	160	210	250	300	1,050
52	Step-up basis of capital gains at death	26,540	27,610	28,710	29,860	31,050	32,300	33,590	155,510
53	Carryover basis of capital gains on gifts	530	600	680	760	900	1,080	1,130	4,550
54	Ordinary income treatment of loss from small business corporation stock sale	40	40	40	50	50	50	50	240
55	Accelerated depreciation of buildings other than rental housing (normal tax method)	4,540	4,560	4,240	3,960	3,800	4,160	4,880	21,040
56	Accelerated depreciation of machinery and equipment (normal tax method)	37,860	37,130	36,480	36,790	37,430	38,520	40,930	190,150
57	Expensing of certain small investments (normal tax method)	1,670	1,430	1,420	1,390	1,360	1,480	1,720	7,370
58	Amortization of start-up costs (normal tax method)	130	160	200	240	250	270	270	1,230
59	Graduated corporation income tax rate (normal tax method)	4,940	5,590	6,210	6,580	7,120	7,450	7,880	35,240
60	Exclusion of interest on small issue bonds	310	310	330	360	390	430	470	1,980
	Transportation:								
61	Deferral of tax on shipping companies	20	20	20	20	20	20	20	100
62	Exclusion of reimbursed employee parking expenses	1,980	2,090	2,190	2,300	2,420	2,550	2,670	12,130
63	Exclusion for employer-provided transit passes	220	280	360	410	470	540	600	2,380
	Community and regional development:								
64	Investment credit for rehabilitation of structures (other than housing)	30	30	30	30	30	30	30	150
65	Exclusion of interest for airport, dock, and similar bonds	630	640	680	750	820	890	980	4,120
66	Exemption of certain mutuals' and cooperatives' income	60	60	60	60	70	70	70	330
67	Empowerment zones, Enterprise communities, and Renewal communities	380	730	1,130	1,170	1,280	1,410	1,580	6,570
68	New markets tax credit	10	90	190	290	430	610	830	2,350
69	Expensing of environmental remediation costs	80	100	100	20	–20	–10	–10	90
	Education, training, employment, and social services:								
	Education:								
70	Exclusion of scholarship and fellowship income (normal tax method)	1,210	1,200	1,210	1,240	1,330	1,380	1,390	6,550
71	HOPE tax credit	4,130	4,110	3,520	2,880	2,930	2,730	2,900	14,960
72	Lifetime Learning tax credit	2,370	2,290	2,360	3,140	2,980	2,740	2,960	14,180
73	Education Individual Retirement Accounts	30	50	80	130	220	330	470	1,230
74	Deductibility of student-loan interest	390	450	640	660	680	700	720	3,400
75	Deduction for higher education expenses	0	430	2,290	2,960	3,710	3,010	0	11,970
76	State prepaid tuition plans	190	270	340	400	460	530	590	2,320
77	Exclusion of interest on student-loan bonds	230	230	240	260	290	310	350	1,450
78	Exclusion of interest on bonds for private nonprofit educational facilities	540	550	580	640	700	760	830	3,510
79	Credit for holders of zone academy bonds	30	50	70	80	90	90	90	430
80	Exclusion of interest on savings bonds redeemed to finance educational expenses	10	20	20	20	20	20	20	100
81	Parental personal exemption for students age 19 or over	1,010	1,070	1,120	1,170	1,230	1,280	1,340	6,140
82	Deductibility of charitable contributions (education)	3,830	3,980	4,200	4,440	4,600	4,840	5,030	23,110
83	Exclusion of employer-provided educational assistance	260	410	500	530	560	590	620	2,800
	Training, employment, and social services:								
84	Work opportunity tax credit	300	230	140	60	30	10	0	240
85	Welfare-to-work tax credit	90	70	40	20	10	0	0	70
86	Employer provided child care exclusion	720	740	770	810	930	1,020	1,080	4,610
87	Employer-provided child care credit	0	40	90	130	150	150	160	680
88	Assistance for adopted foster children	190	220	250	260	270	280	290	1,350
89	Adoption credit and exclusion	130	140	220	450	500	540	560	2,270
90	Exclusion of employee meals and lodging (other than military)	710	740	780	810	850	890	930	4,260
91	Child credit 2	19,940	19,760	19,680	19,550	20,550	21,530	21,240	102,550
92	Credit for child and dependent care expenses	2,670	2,610	2,670	2,960	2,700	2,150	1,930	12,400
93	Credit for disabled access expenditures	50	50	50	50	60	60	60	280
94	Deductibility of charitable contributions, other than for education and medical care	30,150	30,810	32,080	33,830	35,190	36,890	38,290	176,280
95	Exclusion of certain foster care payments	500	510	520	530	540	570	610	2,770
96	Exclusion of parsonage allowances	350	370	400	420	450	470	490	2,230
	Health:								
97	Exclusion of employer contributions for medical insurance premiums and medical care	82,800	90,910	99,260	106,940	115,380	124,050	134,960	580,590
98	Self-employed medical insurance premiums	1,520	1,730	2,420	3,570	3,870	4,170	4,430	18,460
99	Workers' compensation insurance premiums	4,730	4,870	5,080	5,230	5,410	5,570	5,790	27,080
100	Medical Savings Accounts	20	20	20	20	20	20	20	100
101	Deductibility of medical expenses	4,990	5,260	5,530	5,840	6,280	6,600	7,100	31,350
102	Exclusion of interest on hospital construction bonds	1,100	1,130	1,190	1,310	1,440	1,570	1,700	7,210
103	Deductibility of charitable contributions (health)	4,010	4,180	4,420	4,690	4,850	5,100	5,320	24,380
104	Tax credit for orphan drug research	140	150	170	190	220	240	270	1,090
105	Special Blue Cross/Blue Shield deduction	270	300	340	310	300	270	300	1,520
	Income security:								
106	Exclusion of railroad retirement system benefits	380	390	400	400	400	400	400	2,000
107	Exclusion of workers' compensation benefits	5,560	5,810	6,070	6,320	6,600	6,900	7,200	33,090
108	Exclusion of public assistance benefits (normal tax method)	370	380	400	410	430	450	470	2,160
109	Exclusion of special benefits for disabled coal miners	70	70	60	60	60	50	50	280
110	Exclusion of military disability pensions	110	120	120	120	130	130	140	640
	Net exclusion of pension contributions and earnings:								
111	Employer plans	42,070	48,070	53,080	54,500	55,630	58,980	63,320	285,510
112	401(k) plans	44,080	52,960	59,510	62,770	65,290	69,230	73,320	330,120
113	Individual Retirement Accounts	18,680	18,090	18,660	19,050	18,930	19,230	18,330	94,200
114	Low and moderate income savers credit	0	550	1,960	1,940	1,900	1,800	1,280	8,880
115	Keogh plans	6,180	6,520	6,770	7,040	7,250	7,490	7,730	36,280
	Exclusion of other employee benefits:								
116	Premiums on group term life insurance	1,750	1,780	1,800	1,830	1,860	1,890	1,920	9,300
117	Premiums on accident and disability insurance	210	220	230	240	250	260	270	1,250
118	Small business retirement plan credit	0	20	50	90	120	130	150	540
119	Income of trusts to finance supplementary unemployment benefits	20	20	30	30	30	30	30	150
120	Special ESOP rules	1,290	1,340	1,420	1,490	1,570	1,640	1,730	7,850
121	Additional deduction for the blind	40	40	40	40	40	40	40	200
122	Additional deduction for the elderly	1,970	1,890	1,950	2,060	2,100	2,150	2,050	10,310
123	Tax credit for the elderly and disabled	30	30	30	30	30	30	30	150
124	Deductibility of casualty losses	210	250	310	360	410	450	490	2,020
125	Earned income tax credit 3	4,940	4,370	4,900	4,930	5,100	5,180	5,390	25,400
	Social Security:								
	Exclusion of social security benefits:								
126	Social Security benefits for retired workers	17,830	18,000	18,180	18,560	18,850	19,720	20,890	96,200
127	Social Security benefits for disabled	2,690	2,930	3,240	3,630	4,020	4,470	5,020	20,380
128	Social Security benefits for dependents and survivors	3,720	3,870	4,060	4,320	4,560	4,820	5,170	22,930
	Veterans benefits and services:								
129	Exclusion of veterans death benefits and disability compensation	3,150	3,190	3,300	3,490	3,680	3,870	4,080	18,420
130	Exclusion of veterans pensions	70	80	80	80	90	90	100	440
131	Exclusion of GI bill benefits	90	90	90	100	100	110	110	510
132	Exclusion of interest on veterans housing bonds	40	40	40	40	50	50	60	240
	General purpose fiscal assistance:								
133	Exclusion of interest on public purpose State and local bonds	23,100	23,680	24,270	24,880	25,500	26,140	26,800	127,590
134	Deductibility of nonbusiness state and local taxes other than on owner-occupied homes	45,520	46,160	48,150	47,730	43,270	34,820	30,890	204,860
135	Tax credit for corporations receiving income from doing business in U.S. possessions	2,190	2,240	2,240	2,240	2,200	1,300	0	7,980
136	Deferral of interest on U.S. savings bonds	290	300	310	330	330	350	360	1,680

1 The determination of whether a provision is a tax expenditure is made on the basis of a broad concept of "income" that is larger in scope than is "income" as defined under general U.S. income tax principles. For tax reasons, the tax expenditure estimates include, for example, estimates related to the exclusion of extraterritorial income, as well as other exclusions, notwithstanding that such exclusions define income under the general rule of U.S. income taxation.

2 In addition, the partial exemption from the excise tax for alcohol fuels results in a reduction in excise tax receipts (in millions of dollars) as follows: 2001 $990; 2002 $1,020; 2003 $1,050; 2004 $1,080; 2005 $1,080; 2006 $1,100; and 2007 $1,120.

3 The figures in the table indicate the effect of the child tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2001 $980; 2002 $7,390; 2003 $7,390; 2004 $7,210; 2005 $6,950; 2006 $9,380; and 2007 $9,200.

4 The figures in the table indicate the effect of the earned income tax credit on receipts. The effect of the credit on outlays (in millions of dollars) is as follows: 2001 $26,120; 2002 $28,280; 2003 $30,630; 2004 $31,080; 2005 $31,720; 2006 $33,130; and 2007 $34,090.

Note: Provisions with estimates denoted normal tax method have no revenue loss under the reference tax law method. All estimates have been rounded to the nearest $10 million. Provisions with estimates that rounded to zero in each year are not included in the table.

Source: Office of Management and Budget, Analytical Perspectives, Budget of the United States Government Fiscal Year 2003, February 4, 20