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JOINT COMMITTEE ON TAXATION March 9, 2021 JCX-14-21

ESTIMATED REVENUE EFFECTS OF H.R. 1319, THE "AMERICAN RESCUE PLAN ACT OF 2021," AS AMENDED BY THE SENATE, SCHEDULED FOR CONSIDERATION BY THE HOUSE OF REPRESENTATIVES

Fiscal Years 2021 - 2031

[Millions of Dollars]

| Provision | Effective | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-26 | 2021-30 | 2021-31 |
|---|--------------------------------|-----------|---------|------|------|------|--------|--------|------|------|------|------|----------|----------|----------------|
| F TOVISIOII | Ellective | 2021 | 2022 | 2023 | 2024 | 2025 | 2020 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-20 | 2021-30 | 2021-31 |
| SUBTITLE A - CRISIS SUPPORT FOR UNEMPLOYED WORKE | RS | | | | | | | | | | | | | | |
| 1. Extension of limitation on excess business losses of | | | | | | | | | | | | | | | |
| noncorporate taxpayers | tyba 12/31/25 | | | | | | 18,737 | 12,439 | -72 | -48 | -30 | -19 | 18,737 | 31,026 | 31,008 |
| 2. Suspension of tax on \$10,200 per recipient of unemployment | | | | | | | | | | | | | | | |
| compensation received in 2020 for taxpayers with AGI below | | | | | | | | | | | | | | | |
| \$150,000 | tyba 12/31/19 | -24,962 | | | | | | | | | | | -24,962 | -24,962 | -24,962 |
| Total of Crisis Support for Unemployed Workers | •••••• | -24,962 | | | | | 18,737 | 12,439 | -72 | -48 | -30 | -19 | -6,225 | 6,064 | 6,046 |
| SUBTITLE F - PRESERVING HEALTH BENEFITS FOR | cpo/a 4/1/21 & | | | | | | | | | | | | | | |
| WORKERS (SUNSET 9/30/21) [1][2][3] | tyea DOE [4] | -26,604 | -8,606 | 116 | [5] | [5] | [5] | [5] | | | | | -35,095 | -35,095 | -35,095 |
| I. 2021 Recovery Rebates to Individuals - \$1,400 for Singles/\$2,80 for Married Filing Jointly (SSN Required for Each Taxpayer), and \$1,400 Per Dependent (SSN Required for Each Dependent); Phaseout Ranges by AGI: \$75,000–\$80,000 for Single, \$112,500–\$120,000 for Head of Household, \$150,000–\$160,000 for Married Filing Jointly (Fully Phased Out at Larger Amounts); Payments to Certain Federal Beneficiaries (sunset 12/31/21) | DOE | -393,714 | -16,918 | | | | | | | | | | -410,632 | -410,632 | -410,632 |
| II. Child Tax Credit - Improvements for 2021 (Sunset | | | | | | | | | | | | | | | |
| 12/31/21); and Application of Child Tax Credit in | | | | | | | | | | | | | | | |
| Possessions [3] | tyba 12/31/20 | -25,826 | -79,249 | -710 | -721 | -725 | -721 | -307 | -311 | -316 | -320 | -323 | -107,953 | -109,206 | -109,529 |
| III. Earned Income Tax Credit | | | | | | | | | | | | | | | |
| 1. Strengthening the earned income tax credit for individuals | | | | | | | | | | | | | | | |
| with no qualifying children (sunset 12/31/21) [3] | tyba 12/31/20 | -521 | -11,361 | | | | | | | | | | -11,882 | -11,882 | -11,882 |
| 2. Taxpayer eligible for childless earned income credit | | | | | | | | | | | | | | | |
| in case of qualifying children who fail to meet certain | | | | | | | | | | | | | | | |
| identification requirements [3] | tyba 12/31/20 | [6] | -12 | -2 | -1 | -1 | -1 | -2 | -2 | -2 | -2 | -2 | -16 | -24 | -26 |
| | | 1 | -20 | -21 | -22 | -23 | -25 | -25 | -27 | -28 | -30 | -31 | -111 | -221 | |
| 3. Credit allowed in case of certain separated spouses [3] | tyba 12/31/20 | -1 | | | | | | | | | | | | -221 | -252 |
| Credit allowed in case of certain separated spouses [3] Modification of disqualified investment income test [3] | tyba 12/31/20 tyba 12/31/20 | -1 -24 | -330 | -198 | -200 | -225 | -229 | -238 | -233 | -231 | -240 | -251 | -1,206 | -2,148 | -252 -2,399 |
| 3. Credit allowed in case of certain separated spouses [3] | 2 | | | | | | | | | | | | | | |

| Page | 2 |
|------|---|
|------|---|

| Provision | Effective | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-26 | 2021-30 | 2021-31 |
|---|--------------------|---------|----------------|--------|-----------|--------|-------------|-------------|-------------|--------------|--------------|--------|---------|---------|---------|
| 6. Temporary special rule for determining earned income for | | | | | | | | | | | | | | | |
| purposes of earned income tax credit (sunset 12/31/20) [3] | DOE | | -3,185 | | | | | | | | | | -3,185 | -3,185 | -3,185 |
| Total of Earned Income Tax Credit | | -546 | -15,646 | -967 | -987 | -1,030 | -1,053 | -1,079 | -1,093 | -1,110 | -1,139 | -1,169 | -20,228 | -24,649 | -25,818 |
| IV. Dependent Care Assistance | | | | | | | | | | | | | | | |
| 1. Refundability and enhancement of child and dependent | 12/21/20 | 2 107 | 5 0 2 7 | | | | | | | | | | 7.064 | 7.064 | = 0.4 |
| care tax credit (sunset 12/31/21) [3] | tyba 12/31/20 | -2,127 | -5,837 | | | | | | | | | | -7,964 | -7,964 | -7,964 |
| Increase in exclusion for employer-provided dependent care assistance (sunset 12/31/21) [7] | tyba 12/31/20 | -78 | -39 | | | | | | | | | | -117 | -117 | -117 |
| Total of Dependent Care Assistance | | -2,205 | -5,876 | | | | | | | | | | -8,081 | -8,081 | -8,081 |
| V. Extension and Modification of Credits for Paid Sick | apwrt cqba 3/31/21 | | | | | | | | | | | | | | |
| and Family Leave (sunset 9/30/21) [3] | & DOE [8] | -4,506 | -1,747 | [5] | [5] | [5] | [5] | [5] | | | | | -6,253 | -6,253 | -6,253 |
| VI. Extension and Modification of the Employee Retention Credit (sunset 12/31/21) [3] | cqba 6/30/21 | -3,076 | -7,146 | [5] | [5] | [5] | [5] | [5] | | | | | -10,222 | -10,222 | -10,222 |
| /II. The Premium Tax Credit | | | | | | | | | | | | | | | |
| 1. Improving affordability by expanding premium assistance | | | | | | | | | | | | | | | |
| for consumers (sunset 12/31/22) [2][3][9] | . tyba 12/31/20 | -4,137 | -22,234 | -7,964 | -536 | 23 | | | | | | | -34,847 | -34,847 | -34,847 |
| 2. Temporary modification of limitations on reconciliation of | • | - | | * | | | | | | | | | | | |
| tax credits for coverage under a qualified health plan with | | | | | | | | | | | | | | | |
| advance payments of such credit (sunset 12/31/20) [10] | . tyba 12/31/19 | -4,696 | -1,565 | | | | | | | | | | -6,261 | -6,261 | -6,261 |
| 3. Application of premium tax credit in case of individuals | - | | | | | | | | | | | | | | |
| receiving unemployment compensation during | | | | | | | | | | | | | | | |
| 2021 (sunset 12/31/21) [2][3][11] | tyba 12/31/20 | -2,624 | -1,660 | -232 | | | | | | | | | -4,516 | -4,516 | -4,516 |
| Total of the Premium Tax Credit | | -11,457 | -25,459 | -8,196 | -536 | 23 | | | | | | | -45,624 | -45,624 | -45,624 |
| /III. Miscellaneous Provisions | | | | | | | | | | | | | | | |
| 1. Repeal of worldwide interest allocation rules | . tyba 12/31/20 | 335 | 1,277 | 2,023 | 2,284 | 2,383 | 2,334 | 2,358 | 2,385 | 2,343 | 2,283 | 2,327 | 10,636 | 20,005 | 22,331 |
| 2. Tax treatment of targeted economic injury disaster loan | - | | | | | | | | | | | | | | |
| advances | | | | | | | | 2 | | 0 | 0 00 | 5 | | | |
| 3. Tax treatment of restaurant revitalization grants | . | | | | | Estim | ate to Be P | rovided B | y The Cons | gressional [| Budget Off | jice | | | |
| 4. Modification of exceptions for reporting of third party | | | | | | | | | | | | | | | |
| network transactions [3][12] | . [13] | | 146 | 1,081 | 751 | 789 | 829 | 870 | 913 | 959 | 1,007 | 1,057 | 3,596 | 7,345 | 8,403 |
| 5. Modification of treatment of student loan forgiveness | | | | | | | | | | | | | | | |
| (sunset 12/31/25) | . tyba 12/31/20 | -1 | -8 | -8 | -9 | -9 | -9 | [6] | [6] | | | | -43 | -44 | -44 |
| Total of Miscellaneous Provisions | | 334 | 1,415 | 3,096 | 3,026 | 3,163 | 3,154 | 3,228 | 3,298 | 3,302 | 3,290 | 3,384 | 14,189 | 27,306 | 30,690 |
| SUBTITLE H - PENSIONS | | | | | | | | | | | | | | | |
| A. Relief for Multiemployer Pension Plans | . various - | | | | | Estime | tte To Be P | 'rovided by | y the Congr | ressional B | ludget Offic | ce | | | |
| B. Relief for Single Employer Pension Plans 1. Extended amortization for single employer plans [3][14] | . pyba 12/31/18 | 361 | 508 | 826 | 1,191 | 2,335 | 1,678 | 2,819 | 3.234 | 3.477 | 3,346 | 3,068 | 6,899 | 19,775 | 22,841 |
| Extended amortization for single employer plans [5][14] Extension of pension funding stabilization percentages for | 1. | 301 | 506 | 020 | 1,191 | 2,335 | 1,076 | 2,015 | 3,234 | 3,477 | 3,340 | 3,000 | 0,099 | 19,115 | 22,041 |
| single employer plans [3][15] | | | | | | | Fstin | eato Includ | dad In Itam | R1 Abov | o | | | | |
| 3. Modification of special rules for minimum funding | pyba 12/51/17 | | | | | | Estim | ale menua | ea m nem | D.1. AUUVE | | | | | |
| standards for community newspaper plans [3][16] | . pyea 12/31/17 | 25 | 19 | 24 | 27 | 28 | 31 | 33 | 33 | 32 | 30 | 30 | 154 | 282 | 311 |
| standards for community newspaper plans [5][10] | pyca 12/31/17 | 20 | 17 | 27 | <i>21</i> | 20 | 51 | 55 | 55 | 52 | 50 | 50 | 1.57 | 202 | 511 |

| Provision | Effective | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-26 | 2021-30 | 2021-31 |
|--|-------------|------------|---------|--------|-------|-------|--------|--------|-------|-------|-------|-------|----------|----------|----------|
| Deny deduction of compensation in excess of \$1 million for eight highest paid employees, plus the CEO or CFO, at publicly traded companies | ba 12/31/26 | | | | | | 11 | 839 | 1,693 | 1,724 | 1,754 | 1,785 | 11 | 6,020 | 7,805 |
| Total of Subtitle H - Pensions | | 386 | 527 | 850 | 1,218 | 2,363 | 1,720 | 3,691 | 4,960 | 5,233 | 5,130 | 4,883 | 7,064 | 26,077 | 30,957 |
| NET TOTAL | | -492,176 - | 158,705 | -5,811 | 2,000 | 3,794 | 21,837 | 17,972 | 6,782 | 7,061 | 6,931 | 6,756 | -629,060 | -590,315 | -583,561 |

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be March 15, 2021. Revenue provisions as submitted in statutory language HR1319 EAS.

Legend for "Effective" column:

| Legend for Effective column. | DOD 1 | c | | | | | | | | | | 6 | | | | |
|--|---------------|--------------|-------------|------------|--------------------------------------|------|----------|-------------|---------|--------|--------|---------|---------|---------|--|--|
| apwrt = amounts paid with respect to | DOE = date | | | | pyea = plan years ending after | | | | | | | | | | | |
| cpo/a = coverage period on or after | pia = penal | | | | tyba = taxable years beginning after | | | | | | | | | | | |
| cqba = calendar quarters beginning after | pyba = plar | n years begi | nning after | | tyea = taxable years ending after | | | | | | | | | | | |
| [1] Estimate includes the following budget effects: | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-26 | 2021-30 | 2021-31 | | |
| Total Revenue Effect | 26,604 | -8,606 | 116 | [5] | [5] | [5] | [5] | | | | | -35,095 | -35,095 | -35,095 | | |
| On-budget effects | -26,613 | -8,576 | 129 | [5] | [5] | [5] | [5] | | | | | -35,060 | -35,060 | -35,060 | | |
| Off-budget effects | . 9 | -30 | -13 | | | | | | | | | -34 | -34 | -34 | | |
| [2] Estimate provided by the Joint Committee on Taxation staff in collaboration with the C | Congressiona | l Budget O | ffice. | | | | | | | | | | | | | |
| [3] Estimates contain the following outlay effects: | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-26 | 2021-30 | 2021-31 | | |
| Preserving health benefits for workers | 1,374 | -630 | -74 | | | | | | | | | -2,077 | -2,077 | -2,077 | | |
| Child tax credit - improvements for 2021 (sunset 12/31/21); and application of | | | | | | | | | | | | | | | | |
| child tax credit in possessions | . 19,169 | 65,186 | 710 | 721 | 725 | 721 | 307 | 311 | 316 | 320 | 323 | 87,233 | 88,486 | 88,809 | | |
| Strengthening the earned income tax credit for individuals with no qualifying | | | | | | | | | | | | | | | | |
| children (sunset 12/31/21) | | 9,278 | | | | | | | | | | 9,278 | 9,278 | 9,278 | | |
| Taxpayer eligible for childless earned income credit in case of qualifying children | | | | | | | | | | | | | | | | |
| who fail to meet certain identification requirements | | 11 | 2 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 16 | 24 | 26 | | |
| Credit allowed in case of certain separated spouses | | 18 | 18 | 19 | 20 | 21 | 21 | 22 | 23 | 24 | 24 | 96 | 185 | 210 | | |
| Modification to disqualified investment income test | | 224 | 141 | 143 | 165 | 164 | 162 | 159 | 159 | 165 | 173 | 837 | 1,482 | 1,655 | | |
| Application of earned income tax credit in possessions of United States | | 738 | 746 | 764 | 781 | 798 | 814 | 831 | 849 | 867 | 885 | 3,828 | 7,189 | 8,074 | | |
| Refundability and enhancement of child and dependent care tax credit | | | | | | | | | | | | 0,020 | ., | 0,071 | | |
| (sunset 12/31/21) | | 3,752 | | | | | | | | | | 3,752 | 3,752 | 3,752 | | |
| Extension and modification of credits for paid sick and family leave (sunset 9/30/21) | | 614 | | | | | | | | | | 4,209 | 4,209 | 4,209 | | |
| Extension and modification of the employee retention credit | | 1,014 | | | | | | | | | | 2,138 | 2,138 | 2,138 | | |
| Improving affordability by expanding premium assistance for consumers | | 14,306 | 5.203 | 450 | | | | | | | | 22,684 | 22,684 | 22,684 | | |
| Application of premium tax credit in case of individuals receiving unemployment | | , | - , | | | | | | | | | , | , | , | | |
| compensation during 2020. | . 1,351 | 926 | 149 | | | | | | | | | 2,426 | 2,426 | 2,426 | | |
| Modification of exceptions for reporting of third party network transactions | | | 40 | 42 | 44 | 46 | 49 | 51 | 54 | 56 | 59 | 173 | 383 | 442 | | |
| Temporary special rule for determining earned income for purposes of earned | - | | | | | | | | • | ••• | • • | | | | | |
| income tax credit | | 2.866 | | | | | | | | | | 2,866 | 2,866 | 2,866 | | |
| Extended amortization for single employer plans [17] | | -144 | -232 | -353 | -1.124 | -93 | -917 | -1.156 | -1.419 | -1.643 | -1.819 | -2.053 | -7.188 | -9.007 | | |
| Extension of pension funding stabilization percentages for single employer plans [17]. | | | | | | | | ded In Iten | , - | | | 2,000 | ,,100 | | | |
| Modification of special rules for minimum funding standards for community | • | | | | | 04 | nays men | aca m men | 1110070 | | | | | | | |
| newspaper plans [17] | 7 | _7 | -11 | -15 | -18 | -21 | -24 | -27 | -30 | -32 | -35 | -79 | -192 | -227 | | |
| [4] The provision relating to the payroll tax credit applies to premiums to which premium | | nlies and to | wages nai | d on or af | ter April 1 | 2021 | -2-1 | -27 | -50 | -52 | -55 | -1) | -172 | 227 | | |
| [4] The provision relating to the payron tax creat applies to premiums to when premium | assistance ap | Price and to | | a on or ur | | | | | | | | | | | | |

[4] The provision relating to the payl [5] Gain of less than \$500,000.

Footnotes continued for JCX-14-21:

| [6] Loss of less than \$500,000. | | | | | | | | | | | | | | |
|--|--------------|--------------|--------------|-------------|--------------|------------|--------------|-------------|--------------|-------------|-------------|------------------|------------|---------|
| [7] Estimate includes the following budget effects: | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-26 | 2021-30 | 2021-31 |
| Total Revenue Effect | -78 | -39 | | | | | | | | | | -117 | -117 | -117 |
| On-budget effects | -27 | -14 | | | | | | | | | | -41 | -41 | -41 |
| Off-budget effects | -51 | -25 | | | | | | | | | | -76 | -76 | -76 |
| [8] With respect to the credit for self-employed individuals, only days occurring during the | period begi | inning on A | pril 1, 202 | l and endir | ng on Septe | mber 30, 2 | 021, may b | e taken in | to account | for purpos | es of deter | mining the | | |
| qualified sick leave equivalent amount and the qualified family leave equivalent amount | | | | | | | | | | | | | | |
| [9] Estimate includes the following budget effects: | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-26 | 2021-30 | 2021-31 |
| Total Revenue Effect | -4,137 | -22,234 | -7,964 | -536 | 23 | | | | | | | -34,847 | -34,847 | -34,847 |
| On-budget effects | -4,144 | -22,310 | -8,016 | -546 | 23 | | | | | | | -34,993 | -34,993 | -34,993 |
| Off-budget effects | 7 | 76 | 52 | 10 | | | | | | | | 146 | 146 | 146 |
| [10] The statute applies in the case of any taxable year beginning in 2020, so the sunset only | applies to t | ax year 202 | 20. | | | | | | | | | | | |
| [11] Estimate includes the following budget effects: | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-26 | 2021-30 | 2021-31 |
| Total Revenue Effect | -2,624 | -1,660 | -232 | | | | | | | | | -4,516 | -4,516 | -4,516 |
| On-budget effects | -2,731 | -1,767 | -257 | | | | | | | | | -4,755 | -4,755 | -4,755 |
| Off-budget effects | 107 | 107 | 25 | | | | | | | | | 239 | 239 | 239 |
| [12] Estimate includes the following budget effects: | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-26 | 2021-30 | 2021-31 |
| Total Revenue Effect | | 146 | 1,081 | 751 | 789 | 829 | 870 | 913 | 959 | 1,007 | 1,057 | 3,596 | 7,345 | 8,403 |
| On-budget effects | | 80 | 572 | 391 | 411 | 431 | 453 | 475 | 499 | 524 | 550 | 1,884 | 3,836 | 4,385 |
| Off-budget effects | | 66 | 509 | 360 | 378 | 397 | 417 | 438 | 460 | 483 | 507 | 1,712 | 3,508 | 4,018 |
| [13] The amended de minimis exception applies to returns for calendar years beginning after | December | 31, 2021. | The clarific | ation that | reporting is | not requir | ed on trans | actions wh | ich are not | for goods | or services | s applies to tra | insactions | |
| after the date of enactment. | | | | | | - | | | | ÷ | | ** | | |
| [14] Estimate includes the following budget and outlay effects: | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-26 | 2021-30 | 2021-31 |
| Total Revenue Effect | 361 | 508 | 826 | 1,191 | 2,335 | 1,678 | 2,819 | 3,234 | 3,477 | 3,346 | 3,068 | 6,899 | 19,775 | 22,842 |
| On-budget effects | 229 | 312 | 499 | 689 | 973 | 1,272 | 1,522 | 1,644 | 1,611 | 1,329 | 975 | 3,973 | 10,080 | 11,055 |
| Off-budget effects | 25 | 53 | 95 | 150 | 238 | 312 | 380 | 434 | 447 | 374 | 273 | 873 | 2,508 | 2,781 |
| [15] A plan sponsor may elect not to have the amendments made by this section apply to any | plan year l | beginning b | efore Janua | ary 1, 2022 | (either for | all purpos | es or solely | for purpos | ses of deter | rmining the | adjusted | funding target | | |
| attainment percentage). | | | | - | | • • | - | | | | • | | | |
| [16] Estimate includes the following budget and outlay effects: | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2021-26 | 2021-30 | 2021-31 |
| Total Revenue Effect | 25 | 19 | 24 | 27 | 28 | 31 | 33 | 33 | 32 | 30 | 30 | 154 | 281 | 311 |
| On-budget effects | 16 | 10 | 11 | 9 | 8 | 8 | 6 | 4 | [5] | -3 | -5 | 61 | 69 | 63 |
| Off-budget effects | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 2 | 1 | 1 | [5] | 14 | 21 | 21 |
| [17] Estimated changes in premiums provided by the Congressional Budget Office. Premium | ns rise due | to higher pl | lan underfu | nding; this | reduces go | vernment | spending (1 | negative in | footnote [] | 3]) and has | the same | effect on | | |

[17] Estimated changes in premiums provided by the Congressional Budget Office. Premiums rise due to higher plan underfunding; this reduces government spending (negative in footnote [3]) and has the same effect on the deficit as an increase in revenues (positive in main table).