
Fiscal Years 2007 - 2017

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<tbody>
<tr>
<td>Increase in Minimum Wage [1]</td>
<td>DOE</td>
<td>3</td>
<td>12</td>
<td>27</td>
<td>41</td>
<td>49</td>
<td>53</td>
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The "Small Business and Work Opportunity Tax Act of 2007"

### I. Small Business Provisions

#### A. General Provisions

1. Extension and modification of the work opportunity tax credit ("WOTC") - extend present law WOTC and expand targeted groups relating to veterans, high-risk youth, and vocational rehabilitation referrals; include high out-migration counties (sunset 8/31/11)


2. Increase and extension of expensing for small business - increase section 179 expensing to $125,000 and increase the phaseout threshold amount to $500,000; include software in section 179 property; and index both the deduction limit and the phaseout threshold (sunset 12/31/10)

   tyba 12/31/06 -140 -229 -157 -3,100 -1,832 1,242 896 680 410 207 -3,503 -68

3. Tax credit for Social Security taxes paid with respect to employee cash tips - set applicable minimum wage for purposes of calculating the FICA tip credit at $5.15

   trfspa 12/31/06 -3 -12 -27 -41 -49 -53 -54 -54 -55 -55 -185 -457

4. Allow work opportunity credit and credit for taxes paid with respect to employee cash tips against the alternative minimum tax ("AMT")

   a. Permit individual and corporate taxpayers to claim the WOTC against the AMT


   b. Permit individual and corporate taxpayers to claim the FICA tip credit against the AMT


5. Family business tax simplification

   tyba 12/31/06

   Negligible Revenue Effect

#### B. Gulf Opportunity Zone Tax Incentives

1. One-year extension to special increase in expensing under section 179 for GO Zone property (sunset 12/31/08)

   tyba DOE --- -14 -10 7 5 3 3 2 1 1 --- -9 -2

2. Extend enhanced credit treatment for two additional years (2009 and 2010) and modify the carryover allocation and Federally subsidized rules for certain low income housing credit buildings placed in service after 12/31/05, and before 1/1/11 in the Gulf Opportunity Zone, the Rita GO Zone, and the Wilma GO Zone

   DOE --- --- -61 -97 -53 -10 --- --- --- --- --- -221 -221

3. Treatment of certain qualified GO Zone repairs or reconstruction as qualified rehabilitation for purposes of the mortgage revenue bond and Gulf Opportunity Zone bond rules

   [5] -1 -4 -7 -4 --- --- --- --- --- --- --- -16 -16

4. GAO study of certain tax incentives in the GO Zones

   DOE

   No Revenue Effect

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This document is referenced in an endnote at the Bradford Tax Institute. CLICK HERE to go to the home page.
### C. Subchapter S Provisions

2. Treatment of qualifying director shares.......................... tyba 12/31/06 -4 -10 -14 -18 -20 -21 -22 -23 -23 -24 -24 -87 -201
4. Treatment of sale of interest in a qualified subchapter S subsidiary.......................................................... tyba 12/31/06 -1 -3 -3 -4 -4 -4 -5 -5 -5 -6 -6 -19 -46
5. Elimination of all earnings and profits attributable to pre-1983 years.......................................................... tyba DOE -3 -2 -2 -2 -2 -2 -2 -2 -2 -2 -2 -13 -21
6. Permit interest deduction to an electing small business trust to acquire S corporation stock................................ tyba 12/31/06 --- -2 -3 -4 -5 -5 -6 -8 -9 -11 -12 -18 -64

**Total of Small Business Provisions**

-171 -581 -892 -4,032 -2,731 1,339 908 642 459 204 2 -7,066 -4,844

### II. Revenue Provisions

1. Increase in age of children whose unearned income is taxed as if parent's income................................................ tyba DOE --- 34 139 144 148 143 146 156 163 174 185 608 1,432
2. Modify interest suspension under section 6404(g) from 18 to 36 months.......................................................... [6] --- 162 246 248 250 251 252 254 255 256 257 1,157 2,430
4. Permanent extension of IRS user fees [8]............................ ra 9/30/14 --- --- --- --- --- --- --- --- 30 30 30 --- 90
5. Increase in penalty for bad checks and money orders...... comora DOE 2 2 2 2 2 2 2 2 2 2 2 2 12 22
6. Understatement of taxpayer liability by return preparers...... rpa DOE --- 3 5 6 8 9 9 10 10 11 11 31 82
7. Penalty for filing erroneous refund claims......................... rfo/a 1/1/08 --- --- --- 5 10 11 12 13 14 16 17 26 98
8. Increase corporate estimated tax payments due July through September for corporations with assets in excess of $1 billion in 2012........................................................ DOE --- --- --- --- --- 4,955 -4,955 --- --- --- --- 4,955 ---

**Total of Revenue Provisions**

2 251 443 432 437 5,387 -4,515 457 499 517 533 6,952 4,442

### III. Pension-Related Provisions


**Total of Pension-Related Provisions**


**NET TOTAL**

-166 -318 -422 -3,559 -2,245 6,779 -3,553 1,153 1,012 776 590 71 55

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**Joint Committee on Taxation**

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**NOTE:** Details may not add to totals due to rounding. The date of enactment is assumed to be July 1, 2007.

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**Legend for “Effective” column:**
- **cdi** = credits determined in
- **comora** = checks or money orders received after
- **DEO** = date of enactment
- **ra** = requests after
- **rpa** = returns prepared after
- **rfo/a** = returns filed on or after
- **tyba** = taxable years beginning after
- **wppfibwa** = wages paid or incurred for individuals
- **trfspa** = tips received for services performed after

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[Footnotes for JCX-30-07 appear on the following page]
Footnotes for JCX-30-07:

[1] The revenue estimate only reflects the reduction in the amount of credits taxpayers claim under the FICA tip tax credit as a result of increasing the minimum wage. The Congressional Budget Office has estimated all other revenue effects from increasing the minimum wage, as originally provided in H.R. 2, as being small and of indeterminate size.

[2] Loss of less than $500,000.


[5] Effective for owner-financing provided after the date of enactment and before January 1, 2011.

[6] Effective for IRS notices issued after the date which is six months after the date of enactment.

[7] Effective for levies issued on or after 120 days after the date of enactment.

[8] Estimate provided by the Congressional Budget Office.

[9] Effective as if included in section 1106 of the Pension Protection Act of 2006.

[10] The technical corrections are effective as if included in the Pension Protection Act of 2006.


[12] Gain of less than $500,000.