JOINT COMMITTEE ON TAXATION Februrary 26, 2021 JCX-12-21

ESTIMATED REVENUE EFFECTS OF H.R. 1319, THE "AMERICAN RESCUE PLAN ACT OF 2021," SCHEDULED FOR CONSIDERATION BY THE HOUSE OF REPRESENTATIVES ON FEBRUARY 26, 2021

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
SUBTITLE F - PRESERVING HEALTH BENEFITS FOR WORKERS (SUNSET 9/30/21) [1][2]	cpo/a 4/1/21 & tyea DOE [3]	-10,223	-3,146	116	[4]	[4]	[4]	[4]					-13,253	-13,253	-13,253
SUBTITLE G - PROMOTING ECONOMIC SECURITY I. 2021 Recovery Rebates to Individuals - \$1,400 for Singles/\$2,800 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-\$100,000 for Single, \$112,500-\$150,000 for Head of Household, \$150,000-\$200,000 for Married Filing Joir (Fully Phased Out at Larger Amounts); Payments to Certain Non-Filers (Sunset 12/31/21)	ntly DOE	-404,937	-17,400										-422.337	-422.337	-422,337
Non-Friets (Sunset 12/51/21).	DOE		-17,400										-422,557	-422,557	-422,557
II. Child Tax Credit - Improvements for 2021 (Sunset															
12/31/21); and Application of Child Tax Credit in Possessions [5]	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) [5]	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 [5]	tyba 12/31/20	[6]	-12	-2	-1	-1	-1	-2	-2	-2	-2	-2	-16	-24	-26
3. Credit allowed in case of certain separated spouses [5]	tyba 12/31/20	-1	-20	-21	-22	-23	-25	-25	-27	-28	-30	-31	-111	-221	-252
4. Modification of disqualified investment income test [5]	tyba 12/31/20	-24	-330	-198	-200	-225	-229	-238	-233	-231	-240	-251	-1,206	-2,148	-2,399
5. Application of earned income tax credit in possessions of															
the United States [5]	DOE		-738	-746	-764	-781	-798	-814	-831	-849	-867	-885	-3,828	-7,189	-8,074
6. Temporary special rule for determining earned income for															
purposes of earned income tax credit (sunset 12/31/20) [5]	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															
care tax credit (sunset 12/31/21) [5]	tyba 12/31/20	-2,127	-5,837										-7,964	-7,964	-7,964

Page	2
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Provision	Effective	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2021-26	2021-30	2021-31
2. 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 and Family Leave (sunset 9/30/21) [5]	apwrt cqba 3/31/21 & DOE [8]	-4,409	-1,742	[4]	[4]	[4]	[4]	[4]					-6,151	-6,151	-6,151
VI. Extension and Modification of the Employee Retention Credit (sunset 12/31/21) [5]	cqba 6/30/21	-2,791	-5,993	[4]	[4]	[4]	[4]	[4]					-8,784	-8,784	-8,784
VII. The Premium Tax Credit															
 Improving affordability by expanding premium assistance for consumers (sunset 12/31/22) [2][5][9] Temporary modification of limitations on reconciliation of 	tyba 12/31/20	-4,137	-22,234	-7,964	-536	23							-34,847	-34,848	-34,847
tax credits for coverage under a qualified health plan with advance payments of such credit (sunset 12/31/20) [10]3. Application of premium tax credit in case of individuals receiving unemployment compensation during	tyba 12/31/19	-4,696	-1,565										-6,261	-6,261	-6,261
2021 (sunset 12/31/21) [2][5][11]	tyba 12/31/20	-2,624	-1,660	-232									-4,516	-4,516	-4,516
Total of the Premium Tax Credit	5	-11,457	-25,459	-8,196	-536	23							-45,624	-45,624	-45,624
VIII. Miscellaneous Provisions															
1. Repeal of worldwide interest allocation rules 2. Tax treatment of targeted economic injury disaster loan	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
advances						Estime	ate to Be P	rovided By	The Cong	ressional	Budget Off	ice			
3. Tax treatment of restaurant revitalization grants						Estime	ate to Be P	rovided By	The Cong	ressional	Budget Off	ice			
 Modification of exceptions for reporting of third party network transactions [5][12] 	[13]		146	1,081	751	789	829	870	913	959	1,007	1,057	3,596	7,345	8,403
Total of Miscellaneous Provisions		335	1,423	3,104	3,035	3,172	3,163	3,228	3,298	3,302	3,290	3,384	14,232	27,350	30,734
SUBTITLE H - PENSIONS															
A. Relief for Multiemployer Pension Plans B. Relief for Single Employer Pension Plans	various					Estima	te To Be P	rovided by	the Congr	essional B	udget Offic	ce			
 Rener for Single Employer Pension Plans Extended amortization for single employer plans [5][14] Extension of pension funding stabilization percentages for 	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
 Extension of pension funding stabilization percentages for single employer plans [5][15]	pyba 12/31/19						Estim	ate Include	ed In Item I	B.1. Above					
standards for community newspaper plans [5][16]	pyea 12/31/17	25	19	24	27	28	31	33	33	32	30	30	154	282	311
C. Cost of Living Adjustment Freeze [17]	cyba 12/31/30								-3	-9	-16	81		-28	53
Total of Subtitle H - Pensions		386	527	850	1,218	2,363	1,709	2,852	3,264	3,500	3,360	3,179	7,053	20,029	23,205
NET TOTAL		-461 673	-152 561	-5,803	2,009	3,803	3,098	4,694	5,158	5,376	5,191	5,071	-611,126	-590,708	-585,638

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.

[Legend and Footnotes for JCX-12-21 appear on following page]

Legend and Footnotes for JCX-12-21:

Legend for "Effective" column: apwrt = amounts paid with respect to cpo/a = coverage period on or after cqba = calendar quarters beginning after cyba = calendar years beginning after	DOE = date pia = penal pyba = plar	ties issued a	ıfter	er pyea = plan years ending after tyba = taxable years beginning after tyea = taxable years ending after												
 [1] Estimate includes the following budget effects: Total Revenue Effect On-budget effects	10,227	<u>2022</u> -3,146 -3,114 -32	2023 116 129 -13	2024 [4] [4]	2025 [4] [4]	2026 [4] [4]	2027 [4] [4]	<u>2028</u> 	<u>2029</u> 	<u>2030</u> 	<u>2031</u> 	<u>2021-26</u> -13,253 -13,212 -41	<u>2021-30</u> -13,253 -13,212 -41	<u>2021-31</u> -13,253 -13,212 -41		
[2] Estimate provided by the Joint Committee on Taxation staff in collaboration with the [3] The provision relating to the payroll tax credit applies to premiums to which premium [4] Gain of less than \$500,000.	Congressiona	l Budget Of	ffice.	d on or afi	ter April 1,	2021.							11			
[5] 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	-605	-374	-74									-1,053	-1,053	-1,053		
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		750	740	704	/01	190	014	051	072	007	885	5,626	7,107	0,074		
(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)	3,538	611										4,149	4,149	4,149		
Extension and modification of the employee retention credit		878										1,968	1,968	1,968		
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	2,720	1 1,2 0 0	0,200									22,001	22,001	22,001		
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				.2			.,	01	5.	20	0,5	1,0	200			
income tax credit		2.866										2,866	2,866	2,866		
Extended amortization for single employer plans [18]		-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	107	1	252	555	1,121	,,,	217	1,150	1,117	1,015	1,017	2,000	7,100	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
plans [18]						Out	tlays Inclu	ded In Iten	n Ahove							
Modification of special rules for minimum funding standards for community						044	nays men	aca in nen	1110010							
newspaper plans [18]	7	-7	-11	-15	-18	-21	-24	-27	-30	-32	-35	-79	-192	-227		
[6] Loss of less than \$500,000.	···· ,	,		10	10	21	2.	_,	50	52	55	12	.,=			
[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		-39										-117	-117	-117		
On-budget effects																
	27	-14										-41	-41	-41		

[8] With respect to the credit for self-employed individuals, only days occurring during the period beginning on April 1, 2021 and ending on September 30, 2021, may be taken into account for purposes of determining the qualified sick leave equivalent amount and the qualified family leave equivalent amount.

Footnotes continued for JCX-12-21:

[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	-22,345	-7,964	-536	23							-34,959	-34,959	-34,959
On-budget effects	-4.144	-22,421										-26,565	-26,565	-26,565
Off-budget effects	7	76	52	10								145	145	145
[10] The statute applies in the case of any taxable year beginning in 2020, so the sunset only applies to tax year 2020.														
[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	3,835	4,385
Off-budget effects		66	509	360	378	397	417	438	460	483	507	1,712	3,510	4,018
[13] The amended de minimis exception applies to returns for calendar years beginning after	December	31, 2021.	The clarific	ation that 1	eporting is	not requir	ed on trans	actions wh	ich are not	for goods	or services	s applies to tra	ansactions	
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	beginning b	efore Janua	ry 1, 2021	(either for	all purpos	es or solely	for purpos	ses of deter	rmining the	adjusted :	funding targe	t	
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	[4]	-3	-5	61	68	63
Off-budget effects	2	2	3	3	3	3	3	2	1	1	[4]	14	21	21
[17] 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								-3	-9	-16	81		-28	53
On-budget effects								-2	-7	-12	54		-21	33
Off-budget effects								-1	-2	-4	27		-7	20
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[18] Estimated changes in premiums provided by the Congressional Budget Office. Premiums rise due to higher plan underfunding; this reduces government spending (negative in footnote [5]) and has the same effect on the deficit as an increase in revenues (positive in main table).