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## President's FY 2017 Budget Aims to Seal the Deal on Fiscal Legacy

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On February 9, President Obama released the last budget request of his Administration. The FY 2017 budget incorporates many proposals from past years but also looks to cement the president's legacy with a number of new fiscal policy initiatives in priority areas such as corporate and international tax reform, family and individual tax issues, and energy taxes. These and other proposals are outlined in the [Department of the Treasury's General Explanations of the Administration's Revenue Proposals](#) (otherwise known as the "Green Book"). This update highlights new proposals in this year's Green Book and notable changes to provisions included in prior requests.

### New Proposals for Tax Reform, Healthcare, and Energy

#### **Reform the U.S. International Tax System**

- **Impose a 19-percent Minimum Tax on Foreign Income:** The basic concept and mechanics of the FY 2017 proposal remain the same as the FY 2016 proposal. New for FY 2017 is the grant of authority to Treasury to determine the foreign effective tax rate, rather than calculating it by rote based on a 60-month look-back period. The FY 2017 proposal would also make the controlled foreign corporation (CFC) look-through rule permanent. This provision, which was extended in the Protecting Americans from Tax Hikes Act of 2015 for five years, allows a controlled foreign corporation to exclude certain dividends, interest, rents, and royalties in determining its income under Subpart F.
- **Impose a 14-percent One-Time Tax on Previously Untaxed Foreign Income:** Unlike the FY 2016 proposal, the FY 2017 proposal does not earmark proceeds toward infrastructure.

#### **Business Revenue Changes and Loophole Closers**

- **Modify Like-Kind Exchange Rules:** The FY 2017 proposal is significantly expanded. While the FY 2016 proposal applied only to real property, the FY 2017 proposal applies to both real and personal property.
- **Expand Simplified Accounting for Small Business and Establish a Uniform Definition of Small Business for Accounting Methods:** Beginning in FY 2017, this proposal indexes the \$25 million threshold for small businesses to be able to use cash accounting.
- **Net Investment Income Tax (NIIT) and Self-Employment Contributions Act (SECA) Tax:** In addition to reprising the FY 2016 proposal to subject the owners of professional service businesses who participate materially in the business to pay SECA taxes on their distributive shares of income, the FY 2017 proposal seeks to further harmonize tax treatment of active owners of pass-through businesses. Under

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this year's enhanced proposal, all active business income would be subject to the 3.8% Medicare tax, either through NIIT or SECA.

### **Reforms to Retirement and Health Benefit Plans**

- **Multiple Employer Defined Contribution Plan:** The FY 2017 proposal would allow unaffiliated employers to adopt a multiple employer defined contribution plan in an effort to make the provision of retirement benefits easier and less costly by allowing multiple employers to use the same administrative structure. A regulated financial institution would serve as the provider in a dual capacity as a fiduciary and the plan administrator. The employer would retain fiduciary responsibility for prudent selection and monitoring of the provider.
- **Cadillac (High-Cost Employer-Sponsored Health Excise) Tax:** Under current law for 2020 and beyond, the cost of employer-sponsored health coverage in excess of a threshold is subject to a 40% excise tax. This Cadillac tax threshold is \$10,200 for self-only coverage and \$27,500 for other coverage (2018 dollars, indexed for inflation). In an effort to account for regional differences in the cost of health care, the FY 2017 proposal would modify the threshold above which the Cadillac tax applies to be equal to the greater of the current law threshold or the average premium for a marketplace gold plan in each state.

### **Incentives for Job Creation, Manufacturing, Research, and Technology**

- **Community College Partnership Tax Credit:** The FY 2017 proposal includes a new, one-time \$5,000 tax credit for employers who hire qualifying community and technical college graduates. An aggregate \$500 million in tax credits would be made available for each of the five years beginning in FY 2017. Credits would be allocated to states on a per capita basis and states would have the flexibility to design competitive award criteria.
- **Renewable Energy Credits:** The FY 2017 budget would make the production tax credit and investment tax credit permanent at their current 2016 rates—notwithstanding the phasedowns for wind and solar enacted as part of last year's omnibus package.
- **Energy-Efficient Commercial Building Property:** The FY 2017 proposal would update the applicable energy efficiency standard for the energy-efficient commercial building property credit from the 2004 to the 2010 ASHRAE standard.
- **Carbon Investment and Sequestration Tax Credit:** The FY 2017 proposal revises a proposed \$2 billion refundable investment tax credit for carbon dioxide sequestration in connection with electric generating units to make it available to new and retrofitted projects that capture at least one million metric tons of carbon dioxide each year. Projects would need to satisfy certain eligibility requirements with respect to the proportion of flue gas emissions diverted to a sequestration system. Seventy percent of the available credits would be set aside for sequestration projects at coal-fired generating plants, in addition to other allocation requirements. However, the FY 2017 proposal removes several technology-specific allocation provisions that were included in previous budget requests.

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**Other New Revenue Raisers**

- **Oil Fee:** The FY 2017 proposal includes a \$10.25 per barrel equivalent of crude oil “fee” on domestic and imported petroleum products, with proceeds going to support infrastructure and climate change programs. The fee would be phased in over a five-year period beginning on October 1, 2016, and a portion of revenues would be set aside to support households with high energy costs.

**Next Steps**

The president’s budget commences the debate over Congress’s annual budget resolution. However, given that Republicans control the House and Senate, it is unclear what impact the president’s budget will have on the FY 2017 budget and appropriations process. Following the release of the president’s proposal, House Budget Committee Chairman Tom Price (R-GA) announced, “House Republicans will be offering a clear alternative to the president’s stale, big government policies.” Still, as the paramount statement on fiscal policy from the executive branch, the budget may serve as a source for ideas in future tax reform efforts and inform other economic policy debates. Stakeholders affected by the Obama administration’s proposals should seek to engage with the relevant policymakers to help shape potential future iterations.

**What’s In? What’s Out?**

Below is a chart listing the proposals contained in the Green Book, along with revenue estimates of the proposals and a comparison to the FY 2017 Green Book.

**Revenue Provisions Contained in the Obama Administration’s  
FY 2017 Revenue Proposals  
(with Comparisons to the FY 2016 Budget)**

*New proposals are in bold; proposals that were in the FY 2016 budget but not in the FY 2017 budget have been stricken through*

Provision	FY 2016 10-Year Revenue (\$M)	FY 2017 10-Year Revenue (\$M)
<b>Elements of Business Tax Reform</b>		
<i>FY 2016: Revenue Estimates of Reserve for Long-Run Revenue-Neutral Business Tax Reform Proposals</i>		
<b>Reform the U.S. International Tax System</b>		
Restrict deductions for excessive interest of members of financial reporting groups	64,126	70,531
Provide tax incentives for locating jobs and business activity in the U.S. and remove tax deductions for shipping jobs	-247	-211

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overseas		
Repeal delay in the implementation of worldwide interest allocation	-12,207	-9,953
<del>Extend the exception under Subpart F for active financing income</del>	81,333	
<del>Extend the look-through treatment of payments between related controlled foreign corporations (CFCs)</del>	9,733	
Impose a 19-percent minimum tax on foreign income	205,976	350,391
Impose a 14-percent one-time tax on previously untaxed foreign income	268,129	299,415
Limit shifting of income through intangible property transfers	3,072	3,072
Disallow the deduction for excess non-taxed reinsurance premiums paid to affiliates	7,388	7,688
Modify tax rules for dual capacity taxpayers	10,315	9,635
Tax gain from the sale of a partnership interest on look-through basis	2,974	2,917
Extend section 338(h)(16) to certain asset acquisitions	672	672
Remove foreign taxes from a section 902 corporation's foreign tax pool when earnings are eliminated	317	333
Create a new category of Subpart F income for transactions involving digital goods or services	8,706	9,141
Expand foreign base company sales income to include manufacturing service arrangements	18,375	19,292
Amend CFC attribution rules	3,400	3,400
Eliminate the 30-day grace period before Subpart F inclusions	1,195	1,195
Restrict the use of hybrid arrangements that create stateless income	1,133	1,133
Limit the application of exceptions under Subpart F for certain transactions that use reverse hybrids to create stateless income	1,402	1,402
Limit the ability of domestic entities to expatriate	12,754	13,390
<b>Reform the U.S. International Tax System Subtotal</b>		<b>484,028</b>

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<b>Simplification and Tax Relief for Small Business</b>		
Expand expensing for small businesses* <sup>1</sup> <i>FY 2016: Expand and permanently extend increased expensing for small business</i>	-63,845	-15,066
Expand simplified accounting for small business and establish a uniform definition of small business for accounting methods	-14,757	-26,702
<del>Eliminate capital gains taxation on investments in small business stock</del>	<del>-9,215</del>	
Increase the limitations for deductible new business expenditures and consolidate provisions for start-up and organizational expenditures	-4,221	-4,698
Expand and simplify the tax credit provided to qualified small employers for non-elective contributions to employee health insurance	-1,550	-1,009
<b>Simplification and Tax Relief for Small Business Subtotal</b>		<b>-47,475</b>
<b>Incentives for Job Creation, Manufacturing, Research, and Clean Energy</b>		
<i>FY 2016: Incentives for Manufacturing, Research, and Clean Energy</i>		
Enhance and simplify research incentives <i>FY 2016: Enhance and make permanent research incentives</i>	-127,732	-27,237
Extend and modify certain employment tax credits, including incentives for hiring veterans*	-10,488	-8,564
<b>Provide Community College Partnership tax credit</b>	<b>N/A</b>	<b>-2,213</b>
Designate Promise Zones	-8,627	-7,150
Modify and permanently extend renewable electricity production tax credit and investment tax credit*	-31,452	-24,143
Modify and permanently extend the deduction for energy-efficient commercial building property*	-2,672	-2,647
Provide a carbon dioxide investment and sequestration tax credit	-5,040	-3,450
Provide additional tax credits for investment in qualified property used in a qualifying advanced energy manufacturing project	-2,103	-2,209
Provide new Manufacturing Communities Tax Credit	-4,893	-4,909

<sup>1</sup> Asterisks identify tax extender proposals.

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Extend the tax credit for second generation biofuel production*	-1,223	-1,343
Provide a tax credit for the production of advanced technology vehicles	-2,947	-1,939
Provide a tax credit for medium- and heavy-duty alternative-fuel commercial vehicles	-371	-465
Modify and extend the tax credit for the construction of energy-efficient new homes	-2,498	-2,825
<b>Incentives for Job Creation, Manufacturing, Research, and Clean Energy Subtotal</b>		<b>-89,094</b>
<b>Incentives to Promote Regional Growth</b>		
Modify and permanently extend the New Markets Tax Credit (NMTC)*	-10,094	-5,284
Reform and expand the Low-Income Housing Tax Credit LIHTC*	-3,993	-9,590
<b>Incentives to Promote Regional Growth Subtotal</b>		<b>-14,874</b>
<b>Incentives for Investment in Infrastructure</b>		
Provide America Fast Forward Bonds (AFFB) and expand eligible uses	1	1
Allow eligible use of AFFB to include financing all qualified private activity bond program categories	-259	-238
Allow current refundings of state and local governmental bonds	-46	-46
Repeal the \$150 million non-hospital bond limitation on qualified section 501(c)(3) bonds	-82	-82
Increase national limitation amount for qualified highway or surface freight transfer facility bonds	-1,076	-1,076
Provide a new category of qualified private activity bonds for infrastructure projects referred to as "Qualified Public Infrastructure Bonds"	-4,834	-4,864
Modify qualified private activity bonds for public education facilities	---	---
Modify treatment of banks investing in tax-exempt bonds	-3,434	-3,434
Repeal tax-exempt bond financing of professional sports facilities	542	542
Allow more flexible research arrangements for purposes of private business use limits	-16	-16



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Modify tax-exempt bonds for Indian tribal governments	-112	-112
<del>Exempt foreign pension funds from the application of Foreign Investment in Real Property Tax Act</del>	<del>-2,390</del>	
<b>Incentives for Investment in Infrastructure Subtotal</b>		<b>-9,325</b>
<b>Eliminate Fossil Fuel Tax Preferences</b>		
Repeal the enhanced oil recovery credit for eligible costs attributable to a qualified enhanced oil recovery project <i>FY 2016: Repeal enhanced oil recovery credit</i>	---	8,803
Repeal the credit for oil and natural gas produced from marginal wells	---	---
Repeal the expensing of intangible drilling costs	15,495	10,050
Repeal the deduction for costs paid or incurred for any tertiary injectant used as part of a tertiary recovery method <i>FY 2016: Repeal deduction for tertiary injectants</i>	97	77
Repeal the exception to passive loss limitation for working interests in oil and natural gas properties	185	103
Repeal percentage depletion for oil and natural gas wells	13,253	4,990
Repeal domestic manufacturing deduction for oil and natural gas production	11,904	9,149
Repeal two-year amortization of independent producers' geological and geophysical expenditures, instead allowing amortization over the seven-year period used by integrated oil and gas producers <i>FY 2016: Increase geological and geophysical amortization period for independent producers to seven years</i>	2,876	1,515
Repeal expensing of exploration and development costs	694	285
Repeal percentage depletion for hard mineral fossil fuels	2,450	1,121
Repeal capital gains treatment for royalties	547	494
Repeal domestic manufacturing deduction for the production of coal and other hard mineral fossil fuels	561	227
Repeal the exemption from the corporate income tax for publicly traded partnerships with qualifying income and gains from activities relating to fossil fuels <i>FY 2016: Treat publicly-traded partnerships for fossil fuels as C corporations</i>	1,699	1,408

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<b>Eliminate Fossil Fuel Tax Preferences Subtotal</b>		<b>38,222</b>
<b>Reform the Treatment of Financial and Insurance Industry Products</b>		
<i>FY 2016: Reform Treatment of Financial and Insurance Industry Institutions and Products</i>		
Require that derivative contracts be marked to market with resulting gain or loss treated as ordinary	19,796	20,952
Modify rules that apply to sales of life insurance contracts	502	506
Modify proration rules for life insurance company general and separate accounts	7,543	5,754
Expand pro rata interest expense disallowance for corporate-owned life insurance	6,279	7,144
Conform net operating loss rules of life insurance companies to those of other corporations	319	329
<b>Reform the Treatment of Financial and Insurance Industry Products Subtotal</b>		<b>34,685</b>
<b>Other Business Revenue Changes and Loophole Closers</b>		
Repeal last-in, first-out (LIFO) method of accounting for inventories	76,092	81,335
Repeal lower-of-cost-or-market (LCM) inventory accounting method	7,591	6,795
Modify like-kind exchange rules <i>FY 2016: Modify like-kind exchange rules for real property and collectibles</i>	19,542	47,323
Modify depreciation rules for purchases of general aviation passenger aircraft	3,538	3,057
Expand the definition of substantial built-in loss for purposes of partnership loss transfers	80	89
Extend partnership basis limitation rules to nondeductible expenditures	1,051	1,292
<del>Limit the importation of losses under related party loss limitation rules</del>	<del>945</del>	
Deny deduction for punitive damages	455	741
Conform corporate ownership standards	308	296
Prevent elimination of earnings and profits through distributions of certain stock	---	---



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Prevent use of leveraged distributions from related corporations to avoid dividend treatment <i>FY 2016: Prevent use of leveraged distributions from related foreign corporations to avoid dividend treatment</i>	250	260
Treat purchases of hook stock by a subsidiary as giving rise to deemed distributions	58	60
Repeal gain limitation for dividends received in reorganization exchanges	632	628
<b>Tax Corporate Distributions as Dividends Subtotal</b>		<b>948</b>
Repeal Federal Insurance Contributions Act tip credit	12,329	10,207
Repeal the excise tax credit for distilled spirits with flavor and wine additives	1,093	1,063
<b>Other Business Revenue Changes and Loophole Closers Subtotal</b>		<b>153,146</b>
<b>Elements of Business Tax Reform Subtotal</b>		<b>549,313</b>
<b>Other Revenue Proposals</b>		
<b>Middle-Class and Pro-Work Tax Reforms</b> <i>FY 2016: Tax Reform for Families and Individuals</i>		
Reform child care tax incentives*	-49,872	-39,822
<b>Simplify and Better Target Tax Benefits for Education</b>		
Expand and modify the American Opportunity Tax Credit and repeal the Lifetime Learning Credit	-31,293	-33,135
Make Pell Grants excludable from income	-17,555	-17,603
Modify reporting of scholarships on Form 1098-T <i>FY 2016: Modify reporting of tuition expenses and scholarships on Form 1098-T</i>	618	353
Repeal the student loan interest deduction and provide exclusion for certain debt relief and scholarships	1,248	1,596
<b>Simplify and Better Target Tax Benefits for Education Subtotal</b>		<b>-48,789</b>
Expand the Earned Income Tax Credit (EITC) for workers without qualifying children	-59,944	-61,409
Simplify the rules for claiming the EITC for workers without qualifying children	-5,653	-5,242

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Provide a second-earner tax credit	-89,031	-87,021
Extend exclusion from income for cancellation of certain home mortgage debt*	-6,967	-3,289
<b>Middle Class and Pro-Work Tax Reforms Subtotal</b>		<b>-245,572</b>
<b>Reforms to Retirement and Health Benefit Plans</b>		
Provide for automatic enrollment in Individual Retirement Accounts (IRAs), including a small employer tax credit, increase the tax credit for small employer plan start-up costs, and provide an additional tax credit for small employer plans newly offering auto-enrollment	-17,119	-15,902
Expand penalty-free withdrawals for long-term unemployed	-2,458	-2,477
Require retirement plans to allow long-term part-time workers to participate	-468	-516
Facilitate annuity portability	---	---
Simplify minimum required distribution rules	407	498
Allow all inherited plan and IRA balances to be rolled over within 60 days	---	---
<b>Permit unaffiliated employers to maintain a single multiple-employer defined contribution plan</b>	N/A	<b>-1,767</b>
<b>Improve the excise tax on high cost employer-sponsored health coverage</b>	N/A	<b>-1,265</b>
<b>Reforms to Retirement and Health Benefit Plans Subtotal</b>		<b>-21,429</b>
<b>Reforms to Capital Gains Taxation, Upper-Income Tax Benefits, and the Taxation of Financial Institutions</b>		
Reduce the value of certain tax expenditures	603,226	645,538
Reform the taxation of capital income	207,884	235,208
Implement the Buffet Rule by imposing a new "Fair Share Tax"	35,176	37,508
Impose a financial fee	111,814	111,433
<b>Reforms to Capital Gains Taxation, Upper-Income Tax Benefits, and the Taxation of Financial Institutions Subtotal</b>		<b>1,029,687</b>

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<b>Loophole Closers</b>		
Require current inclusion in income of accrued market discount and limit the accrual amount for distressed debt	391	396
Require that the cost basis of stock that is a covered security must be determined using an average cost basis method	4,375	4,645
Tax carried (profits) interests as ordinary income	17,698	19,310
Require non-spouse beneficiaries of deceased IRA owners and retirement plan participants to take inherited distributions over no more than five years	5,479	6,264
Limit the total accrual of tax-favored retirement benefits	26,043	29,978
Rationalize net investment income and Self-Employment Contributions Act (SECA) taxes <i>FY 2016: Conform SECA taxes for professional service businesses</i>	74,551	271,659
Limit Roth conversions to pre-tax dollars	395	251
Eliminate deduction for dividends on stock of publicly-traded corporations held in employee stock ownership plans	8,622	9,806
Repeal exclusion of net unrealized appreciation in employer securities	2,531	10
Disallow the deduction for charitable contributions that are a prerequisite for purchasing tickets to college sporting events	2,546	2,947
<b>Loophole Closers Subtotal</b>		<b>345,266</b>
<b>Modify Estate and Gift Tax Provisions</b>		
Restore the estate, gift, and GST tax parameters in effect in 2009	189,311	201,754
Expand requirement of consistency in value for transfer and income tax purposes <i>FY 2016: Require consistency in value for transfer and income tax purposes</i>	3,237	1,693
Modify transfer tax rules for grantor retained annuity trusts and other grantor trusts	18,354	19,149
Limit duration of GST tax exemption	---	---
Extend the lien on estate tax deferrals where estate consists largely of interest in closely held business	248	260
Modify GST tax treatment of Health and Education Exclusion Trusts	-231	-247

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Simplify gift tax exclusion for annual gifts	3,446	3,680
Expand applicability of definition of executor	---	---
<b>Modify Estate and Gift Tax Provisions Subtotal</b>		<b>226,289</b>
<b>Other Revenue Raisers</b>		
<b>Impose an oil fee</b>	<b>N/A</b>	<b>319,070</b>
Increase and modify Oil Spill Liability Trust Fund financing <i>FY 2016: Increase the Oil Spill Liability Trust Fund financing rate by one cent and update the law to include other sources of crudes</i>	1,628	1,352
Reinstate and extend Superfund excise taxes	7,966	13,122
Reinstate Superfund environmental income tax	13,277	9,197
Increase tobacco taxes and index for inflation	95,142	115,149
Make unemployment insurance surtax permanent	15,686	16,402
Expand Federal Unemployment Tax Act (FUTA) base and reform FUTA credit reduction rules <i>FY 2016: Provide short-term tax relief to employers and expand federal unemployment tax act (FUTA) base</i>	44,755	46,292
<b>Other Revenue Raisers Subtotal</b>		<b>520,584</b>
<b>Reduce the Tax Gap and Make Reforms</b>		
<b>Expand Information Reporting</b>		
Require a certified taxpayer identification number (TIN) from contractors and allow certain withholding	823	756
Require information reporting for private separate accounts of life insurance companies	8	9
Provide an exception to the limitation on disclosing tax return information to expand TIN matching beyond forms where payments are subject to backup withholding	---	---
Provide for reciprocal reporting of information in connection with the implementation of Fair and Accurate Credit Transactions Act (FATCA)	---	---
<del>Improve mortgage interest deduction reporting</del>	<del>1,918</del>	

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Require Form W-2 reporting for employer contributions to defined contribution plans	---	---
<b>Expand Information Reporting Subtotal</b>		<b>765</b>
<b>Improve Compliance by Businesses</b>		
Increase certainty with respect to worker classification	10,170	10,761
Increase information sharing to administer excise taxes	147	145
Provide authority to readily share information about beneficial ownership information of U.S. companies with law enforcement	34	34
<b>Improve Compliance by Businesses Subtotal</b>		<b>10,940</b>
<b>Strengthen Tax Administration</b>		
<b>Modify the Conservation Easement Deduction and Pilot a Conservation Credit</b>		
Reform the deduction for donations of conservation easements <i>FY 2016: Permanently enhance incentives and reform the deduction for donations of conservation easements</i>	-254	205
Eliminate the deduction for contributions of conservation easements on golf courses	571	500
Restrict deductions and harmonize the rules for contributions of conservation easements for historic preservation	199	174
Pilot an allocable credit for conservation contributions and report to Congress	-244	-224
<b>Modify the Conservation Easement Deduction and Pilot a Conservation Credit Subtotal</b>		<b>655</b>
Impose liability on shareholders to collect unpaid income taxes of applicable corporations	5,424	4,939
<del>Increase levy authority for payments to Medicare providers with delinquent tax debt</del>	<del>514</del>	
Implement a program integrity statutory cap adjustment for tax administration	59,735	63,629
<del>Streamline audit and adjustment procedures for large partnerships</del>	<del>2,407</del>	
Revise offer-in-compromise application rules	18	19
<del>Expand IRS access to information in the National Directory of New Hires for tax administration purposes</del>	<del>—</del>	

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Make repeated willful failure to file a tax return a felony	10	10
Facilitate tax compliance with local jurisdictions	17	17
<del>Extend statute of limitations for assessment of overstated basis and state adjustments</del>	856	
Improve investigative disclosure statute	10	10
Allow the IRS to absorb credit and debit card processing fees for certain tax payments	20	20
Provide the IRS with greater flexibility to address correctable errors	639	633
Enhance electronic filing of returns	10	10
Improve the whistleblower program	---	---
Index all civil tax penalties to inflation	---	---
<del>Extend IRS authority to require a truncated SSN on Form W-2</del>	---	
Combat tax-related identity theft	---	---
Allow states to send notices of intent to offset federal tax refunds to collect state tax obligations by regular first-class mail instead of certified mail	---	---
<del>Rationalize tax return filing due dates so they are staggered</del>	1,630	
<b>Accelerate information return filing due dates</b>	N/A	<b>109</b>
<b>Increase oversight of paid tax return preparers</b>	N/A	<b>424</b>
<del>Extend paid preparer EITC due diligence requirements to the child tax credit</del>	—	
<del>Explicitly provide that the Department of the Treasury and IRS have authority to regulate all paid return preparers</del>	427	
<del>Increase the penalty applicable to paid tax preparers who engage in willful or reckless conduct</del>	8	
Enhance administrability of the appraiser penalty	---	---
<b>Strengthen Tax Administration Subtotal</b>		<b>70,475</b>
<b>Reduce the Tax Gap and Make Reforms Subtotal</b>		<b>82,180</b>

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<b>Simplify the Tax System</b>		
Modify adoption credit to allow tribal determination of special needs	-5	-7
Repeal non-qualified preferred stock designation	326	430
<del>Repeal preferential dividend rule for publicly traded and publicly offered REITs</del>	---	
Reform excise tax based on investment income of private foundations	-53	-61
<del>Remove bonding requirements for certain taxpayers subject to federal excise taxes on distilled spirits, wine, and beer</del>	---	
Simplify arbitrage investment restrictions	-344	-344
Simplify single-family housing mortgage bond targeting requirements	-97	-97
Streamline private activity limits on governmental bonds	-81	-81
Repeal technical terminations of partnerships	224	252
Repeal anti-churning rules of section 197	-2,822	-2,822
Repeal special estimated tax payment provision for certain insurance companies	---	---
Repeal the telephone excise tax	-2,052	-1,936
Increase the standard mileage rate for automobile use by volunteers	-476	-656
Consolidate contribution limitations for charitable deductions and extend the carryforward period for excess charitable contribution deduction amounts	-5,990	-6,087
Exclude from gross income subsidies from public utilities for purchase of water runoff management	---	---
Provide relief for certain accidental dual citizens	-403	-422
<b>Simplify the Tax System Subtotal</b>		<b>-11,831</b>
<b>User Fee</b>		
Reform inland waterways funding	1,130	1,289



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<b>Other Initiatives</b>		
Allow offset of federal income tax refunds to collect delinquent state income taxes for out-of-state residents	---	---
<b>Improve disclosure for child support enforcement</b>	N/A	---
Authorize the limited sharing of business tax return information to improve the accuracy of important measures of the economy	---	---
Eliminate certain reviews conducted by the U.S. Treasury Inspector General for Tax Administration	---	---
Modify indexing to prevent deflationary adjustments	---	---
<del>Impose a 14 percent one-time tax on previously untaxed foreign income</del>	<del>268,129</del>	
<b>Other Revenue Proposals Subtotal</b>		<b>1,926,463</b>
<b>FY 2017 Budget Proposals Total</b>		<b>2,775,191</b>

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