

otherwise be assigned to the tax expenditures. On the other hand, if three or four tax expenditures that took the form of exclusions from income no longer existed, more income would be taxed at higher marginal tax rates, so that the cost would be more than if each exclusion were considered separately.

It is difficult to say which of these effects predominates in the tax expenditure budget as a whole. It is possible to deal with the problem by calculating the total amount of revenue that would be collected under an ideal or "normal" tax system with no tax expenditures, and subtracting from that the amount that is collected under the present tax system. The difference would represent the total revenue loss from all tax expenditures with all interactions taken into account. Such calculations have been made, but they require a large number of assumptions about the components of the alternative tax system and the economic conditions that would accompany it.² Using different assumptions would produce very different results.

In addition, the revenue loss estimates for the various tax expenditures would vary widely, depending on the other components of the system and the order in which each tax expenditure was entered into the estimating model. The resulting uncertainty and variation in the individual tax expenditure estimates could significantly lessen their usefulness for program analysis purposes. Since the main purpose of the tax expenditure budget is to make it possible to compare the costs of individual tax expenditures with alternative uses of the same resources, only limited efforts have been made to prepare internally consistent estimates of the totals.³

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2. For an example, see Joseph A. Pechman, ed., Comprehensive Income Taxation (The Brookings Institution, 1977), pp. 277-298. Revenues under the comprehensive income tax outlined in the Pechman book range from 43.5 percent to 71.5 percent above then-current law, depending on the level of personal deductions allowed.
 3. For some examples, see Budget of the U.S. Government, Fiscal Year 1982, Special Analyses, pp. 212 and 218 (showing the revenue losses from all tax expenditures that take the form of itemized deductions to be \$62.3 billion in fiscal year 1982,

(Continued)

Year-To-Year Comparisons. Despite the limitations of the arithmetic totals, it can be useful to look at the pattern of growth in the totals over time, since the revenue loss estimates have been made in roughly the same way each year. As is shown in Table 1, the number of the items in the tax expenditure budget has grown from 50 in calendar year 1967, the first year for which the budget was compiled, to 104 in fiscal year 1982. The arithmetic total of the revenue loss estimates has grown from \$36.6 billion in 1967 to \$266.3 billion in 1982.

To some extent, as indicated in Table 2, the growth in the number of items is the result of definitional changes: some items not previously considered tax expenditures were added to the list, and some items have been subdivided. Part of the growth in the revenue loss totals occurred because more income has been taxed at higher marginal tax rates in recent years because of inflation-induced "bracket creep" in the individual income tax and real growth in incomes. Since the revenue loss from special deductions and exclusions is measured by multiplying the amount of the deduction or exclusion by the tax rate, higher losses result when income is taxed at higher rates. Nonetheless, a significant share of the growth in both the number of items and the revenue loss totals is due to the addition of new tax expenditures by legislative action. Table 2 shows the number of tax expenditures added and eliminated by legislative action for each year from 1967 to 1986.

While general, order-of-magnitude comparisons of the arithmetic totals over time can be useful, the comparisons should not be carried too far. The estimates done in different years generally use different economic, demographic, and other assumptions. And unlike budget outlay and revenue estimates, the estimates never become actuals. In addition, as better information on specific provisions becomes available and as estimating techniques are improved, significant changes may be made in the estimates from one year to the next. The fiscal year 1981 revenue loss from tax-exempt industrial development bonds, for example, was estimated at \$695 million in 1979. By 1981, however, new information on previously unreported bond issues led to a new revenue loss estimate for fiscal year 1981 of \$1.23 billion. The estimates made in

compared to an arithmetic total of the separate items of \$81.8 billion, and the loss from the home mortgage interest and property tax deductions to be \$35.5 billion together and \$36.2 billion when calculated separately).

TABLE 1. TAX EXPENDITURE ESTIMATES BY FUNCTION AND SUBFUNCTION, CALENDAR YEARS 1967-1973 AND FISCAL YEARS 1974-1986 (In millions of dollars)^a

| Function and Subfunction | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|------|------|------|------|------|------|------|------|-------|-------|
| 050 NATIONAL DEFENSE | | | | | | | | | | |
| 051 <u>Department of Defense -</u> <u>Military</u> | | | | | | | | | | |
| Exclusion of benefits and allowances to Armed Forces personnel | 500 | 550 | 550 | 500 | 650 | 700 | 700 | 650 | 650 | 650 |
| Exclusion of military disability pensions | --- | --- | --- | --- | --- | --- | --- | 65 | 70 | 80 |
| 150 INTERNATIONAL AFFAIRS | | | | | | | | | | |
| 155 <u>International Finance Programs</u> | | | | | | | | | | |
| Exclusion of income earned abroad by U.S. citizens | 40 | 45 | 45 | 40 | 50 | 50 | 50 | 90 | 130 | 145 |
| Deferral of income of domestic international sales corporations (DISC) | --- | --- | --- | --- | --- | 100 | 170 | 870 | 1,130 | 1,340 |
| Deferral of income of controlled foreign corporations | 150 | 165 | 170 | 165 | 165 | 325 | 350 | 620 | 590 | 525 |
| Exclusion of gross-up on dividends of less developed country corporations | 50 | 55 | 55 | 55 | 55 | 60 | 70 | 55 | 55 | 55 |
| Special rate for Western Hemisphere Trade Corporations | 50 | 55 | 55 | 50 | 75 | 50 | 75 | 50 | 50 | 50 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 050 NATIONAL DEFENSE | | | | | | | | | | |
| 051 <u>Department of Defense - Military</u> | | | | | | | | | | |
| Exclusion of benefits and allowances to Armed Forces personnel | 1,095 | 1,260 | 1,370 | 1,470 | 1,585 | 1,715 | 1,850 | 2,000 | 2,160 | 2,335 |
| Exclusion of military disability pensions | 105 | 115 | 120 | 125 | 170 | 200 | 245 | 285 | 325 | 370 |
| 150 INTERNATIONAL AFFAIRS | | | | | | | | | | |
| 155 <u>International Finance Programs</u> | | | | | | | | | | |
| Exclusion of income earned abroad by U.S. citizens | 120 | 360 | 530 | 555 | 640 | 665 | 720 | 775 | 840 | 905 |
| Deferral of income of domes- tic international sales corporations (DISC) | 1,030 | 1,135 | 1,170 | 1,400 | 1,600 | 1,630 | 1,730 | 1,810 | 1,870 | 1,930 |
| Deferral of income of con- trolled foreign corporations | 410 | 615 | 530 | 445 | 480 | 520 | 560 | 605 | 650 | 705 |
| Exclusion of gross-up on dividends of less developed country corporations | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Special rate for Western Hemisphere Trade Corporations | 35 | 25 | 15 | 5 | --- | --- | --- | --- | --- | --- |

11

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|--|-------|-------|-------|------|------|-------|-------|-------|-------|-------|
| 250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY | | | | | | | | | | |
| 251 <u>General Science and Basic Research</u> | | | | | | | | | | |
| Expensing of research and development expenditures | 500 | 550 | 565 | 540 | 545 | 570 | 580 | 605 | 635 | 660 |
| 270 ENERGY | | | | | | | | | | |
| 271 <u>Energy Supply</u> | | | | | | | | | | |
| Expensing of exploration and development costs | | | | | | | | | | |
| Oil and gas | 300 | 330 | 340 | 325 | 325 | 650 | 750 | 830 | 620 | 805 |
| Other fuels | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Excess of percentage over cost depletion | | | | | | | | | | |
| Oil and gas | 1,300 | 1,430 | 1,470 | 980 | 985 | 1,700 | 1,900 | 2,120 | 2,475 | 1,580 |
| Other fuels | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Capital gains treatment of royalties on coal ^c | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 50 | 60 |
| Alternative fuel production credit | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Alcohol fuel credit | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Exclusion of interest on state and local government indus- trial development bonds for energy production facilities | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Residential energy credits | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Supply incentives | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY | | | | | | | | | | |
| 251 <u>General Science and Basic Research</u> | | | | | | | | | | |
| Expensing of research and development expenditures | 1,425 | 1,480 | 1,580 | 1,795 | 2,030 | 2,280 | 2,550 | 2,845 | 3,170 | 3,525 |
| 270 ENERGY | | | | | | | | | | |
| 271 <u>Energy Supply</u> | | | | | | | | | | |
| Expensing of exploration and development costs | | | | | | | | | | |
| Oil and gas | 715 | 1,185 | 1,490 | 2,190 | 2,735 | 2,945 | 3,460 | 4,075 | 4,635 | 5,120 |
| Other fuels | --- | --- | --- | --- | 25 | 25 | 30 | 30 | 35 | 35 |
| Excess of percentage over cost depletion | | | | | | | | | | |
| Oil and gas | 1,310 | 1,460 | 1,625 | 2,130 | 2,125 | 2,260 | 2,270 | 2,285 | 2,755 | 3,260 |
| Other fuels | --- | --- | --- | --- | 550 | 565 | 630 | 695 | 765 | 840 |
| Capital gains treatment of royalties on coal ^c | 65 | 65 | 75 | 85 | 90 | 100 | 120 | 135 | 150 | 170 |
| Alternative fuel production credit | --- | --- | --- | --- | 25 | 55 | 50 | 20 | 10 | --- |
| Alcohol fuel credit | --- | --- | --- | --- | b | 15 | 25 | 40 | 65 | 85 |
| Exclusion of interest on state and local govern- ment industrial develop- ment bonds for energy production facilities | --- | --- | --- | --- | b | 5 | 15 | 20 | 30 | 30 |
| Residential energy credits Supply incentives | --- | --- | 715 | 460 | 115 | 190 | 275 | 360 | 520 | 650 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|------|------|------|------|------|------|------|------|------|------|
| 271 <u>Energy Supply (continued)</u> | | | | | | | | | | |
| Alternative conservation and new technology credits | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Supply incentives | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 272 <u>Energy Conservation</u> | | | | | | | | | | |
| Residential energy credits | | | | | | | | | | |
| Conservation incentives | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Alternative conservation and new technology credits | | | | | | | | | | |
| Conservation incentives | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Energy credit for intercity buses | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 300 NATURAL RESOURCES AND ENVIRONMENT | | | | | | | | | | |
| 302 <u>Conservation and Land Management</u> | | | | | | | | | | |
| Capital gains treatment of certain timber income | 130 | 140 | 140 | 130 | 175 | 175 | 240 | 185 | 205 | 215 |
| Investment credit and seven- year amortization for reforestation expenditures | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 303 <u>Recreational Resources</u> | | | | | | | | | | |
| Tax incentives for preserva- tion of historic structures | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 304 <u>Pollution Control and Abatement</u> | | | | | | | | | | |
| Exclusion of interest on state and local government pollu- tion control bonds | --- | --- | --- | --- | --- | --- | --- | --- | 110 | 160 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|--|------|------|------|------|------|------|------|------|-------|-------|
| 271 <u>Energy Supply (continued)</u> | | | | | | | | | | |
| Alternative conservation and new technology credits Supply incentives | --- | --- | 220 | 390 | 225 | 315 | 645 | 980 | 1,055 | 820 |
| 272 <u>Energy Conservation</u> | | | | | | | | | | |
| Residential energy credits Conservation incentives | --- | --- | --- | --- | 425 | 420 | 420 | 435 | 445 | 385 |
| Alternative conservation and new technology credits Conservation incentives | --- | --- | --- | --- | 295 | 375 | 320 | 175 | 80 | 25 |
| Energy credit for intercity buses | --- | --- | --- | --- | 5 | 5 | 5 | 5 | 5 | 5 |
| 300 NATURAL RESOURCES AND ENVIRONMENT | | | | | | | | | | |
| 302 <u>Conservation and Land Management</u> | | | | | | | | | | |
| Capital gains treatment of certain timber income | 395 | 265 | 405 | 540 | 605 | 685 | 670 | 865 | 975 | 1,095 |
| Investment credit and seven- year amortization for refor- estation expenditures | --- | --- | --- | --- | 5 | 5 | 5 | 10 | 10 | 10 |
| 303 <u>Recreational Resources</u> | | | | | | | | | | |
| Tax incentives for preserva- tion of historic structures | b | b | 10 | 35 | 65 | 100 | 140 | 170 | 160 | 125 |
| 304 <u>Pollution Control and Abatement</u> | | | | | | | | | | |
| Exclusion of interest on state and local govern- ment pollution control bonds | 245 | 330 | 415 | 460 | 720 | 755 | 815 | 860 | 895 | 915 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|--|------|------|------|------|------|------|-------|------|------|------|
| 304 <u>Pollution Control and Abatement</u> (continued) | | | | | | | | | | |
| Five-year amortization on pollution control facilities | --- | --- | 15 | 15 | 15 | 25 | 35 | 35 | 30 | 20 |
| Exclusion of payments in aid of construction of water, sewage, gas and electric utilities | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 306 <u>Other Natural Resources</u> | | | | | | | | | | |
| Expensing of exploration and development costs, nonfuel minerals | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Excess of percentage over cost depletion, nonfuel materials | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Capital gains treatment of iron ore ^d | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 350 AGRICULTURE | | | | | | | | | | |
| 351 <u>Farm Income Stabilization</u> | | | | | | | | | | |
| Expensing of certain capital outlays | 800 | 860 | 880 | 820 | 840 | 900 | 1,100 | 750 | 610 | 460 |
| Capital gains treatment of certain ordinary income | --- | --- | --- | --- | --- | --- | --- | 550 | 485 | 520 |
| Deductibility of patronage dividends and certain other items of cooperatives | --- | --- | --- | --- | --- | --- | --- | --- | 395 | 410 |
| Exclusion of certain cost- sharing payments | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|------|------|------|------|------|------|------|------|------|------|
| 304 <u>Pollution Control and Abatement</u> (continued) | | | | | | | | | | |
| Five-year amortization on pollution control facilities | -80 | -130 | -25 | -10 | 35 | 65 | 95 | 110 | 115 | 115 |
| Exclusion of payments in aid of construction of water, sewage, gas and electric utilities | 15 | 10 | 10 | 60 | 110 | 115 | 115 | 120 | 125 | 130 |
| 306 <u>Other Natural Resources</u> | | | | | | | | | | |
| Expensing of exploration and development costs, nonfuel minerals | --- | --- | --- | --- | 25 | 25 | 30 | 30 | 35 | 35 |
| Excess of percentage over cost depletion, nonfuel materials | --- | --- | --- | --- | 405 | 395 | 435 | 470 | 500 | 610 |
| Capital gains treatment of iron ore ^d | --- | 10 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| 350 AGRICULTURE | | | | | | | | | | |
| 351 <u>Farm Income Stabilization</u> | | | | | | | | | | |
| Expensing of certain capital outlays | 450 | 515 | 520 | 505 | 530 | 565 | 590 | 610 | 635 | 655 |
| Capital gains treatment of certain ordinary income | 340 | 360 | 375 | 405 | 430 | 450 | 470 | 500 | 520 | 550 |
| Deductibility of patronage dividends and certain other items of cooperatives | 290 | 315 | 335 | 365 | 400 | 430 | 460 | 480 | 520 | 565 |
| Exclusion of certain cost-sharing payments | --- | --- | b | 30 | 75 | 80 | 80 | 75 | 80 | 80 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 370 COMMERCE AND HOUSING CREDIT | | | | | | | | | | |
| 371 <u>Mortgage Credit and Thrift Insurance</u> | | | | | | | | | | |
| Excess bad debt reserves of financial institutions | 600 | 660 | 680 | 380 | 400 | 400 | 380 | 1,000 | 880 | 815 |
| Deductibility of mortgage interest on owner-occupied homes | 1,900 | 2,200 | 2,600 | 2,800 | 2,400 | 3,500 | 4,000 | 4,870 | 5,405 | 4,545 |
| Deductibility of property tax on owner-occupied homes | 1,800 | 2,350 | 2,800 | 2,900 | 2,700 | 3,250 | 3,500 | 4,060 | 4,510 | 3,690 |
| Exclusion of interest on state and local housing bonds for owner-occupied housing | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Deferral of capital gains on homes sales | --- | --- | --- | --- | --- | --- | --- | 255 | 805 | 845 |
| Exclusion of capital gains on home sales for persons age 55 and over | --- | --- | --- | --- | --- | --- | --- | 10 | 40 | 45 |
| Credit for purchase of new homes | --- | --- | --- | --- | --- | --- | --- | --- | --- | 625 |
| 376 <u>Other Advancement and Regulation of Commerce</u> | | | | | | | | | | |
| Dividend and interest exclusion | 225 | 260 | 290 | 280 | 300 | 300 | 325 | 320 | 315 | 335 |
| Exclusion of interest on state and local industrial development bonds | --- | --- | --- | --- | --- | --- | --- | --- | 175 | 225 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| 370 COMMERCE AND HOUSING CREDIT | | | | | | | | | | |
| 371 <u>Mortgage Credit and Thrift Insurance</u> | | | | | | | | | | |
| Excess bad debt reserves of financial institutions | 560 | 705 | 780 | 855 | 340 | 470 | 525 | 620 | 750 | 895 |
| Deductibility of mortgage interest on owner-occupied homes | 5,435 | 4,985 | 8,225 | 12,505 | 19,805 | 25,295 | 31,115 | 37,960 | 46,310 | 56,500 |
| Deductibility of property tax on owner-occupied homes | 4,500 | 4,665 | 5,920 | 7,740 | 8,915 | 10,705 | 12,740 | 15,160 | 18,040 | 21,465 |
| Exclusion of interest on state and local housing bonds for owner-occupied housing | --- | --- | 540 | 665 | 840 | 1,220 | 1,600 | 1,855 | 1,890 | 1,810 |
| Deferral of capital gains on home sales | 890 | 935 | 1,125 | 1,010 | 1,100 | 1,220 | 1,345 | 1,480 | 1,630 | 1,790 |
| Exclusion of capital gains on home sales for persons age 55 and over | 40 | 70 | 300 | 535 | 590 | 650 | 710 | 785 | 860 | 950 |
| Credit for purchase of new homes | 100 | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 376 <u>Other Advancement and Regulation of Commerce</u> | | | | | | | | | | |
| Dividend and interest exclusion | 410 | 475 | 450 | 490 | 1,325 | 3,170 | 2,340 | 700 | 770 | 850 |
| Exclusion of interest on state and local industrial development bonds | 285 | 350 | 495 | 745 | 1,230 | 1,550 | 1,980 | 2,410 | 2,855 | 3,310 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 376 Other Advancement and Regulation of Commerce (continued) | | | | | | | | | | |
| Exemption of credit union income | 40 | 45 | 45 | 40 | 40 | 90 | 100 | 105 | 115 | 125 |
| Exclusion of interest on life insurance savings | 900 | 1,000 | 1,050 | 1,050 | 1,100 | 1,200 | 1,300 | 1,420 | 1,545 | 1,695 |
| Deductibility of interest on consumer credit | 1,300 | 1,600 | 1,700 | 1,700 | 1,800 | 1,100 | 1,250 | 2,435 | 1,185 | 1,040 |
| Expensing of construction period interest and taxes | --- | --- | --- | --- | --- | --- | --- | --- | 1,510 | 1,565 |
| Excess first-year depreciation | --- | --- | --- | --- | --- | --- | --- | --- | 275 | 225 |
| Depreciation on rental housing in excess of straight line | 250 | 250 | 275 | 255 | 500 | 600 | 600 | 480 | 520 | 550 |
| Depreciation on buildings (other than rental housing) in excess of straight line | 500 | 550 | 550 | 500 | 480 | 500 | 530 | 505 | 440 | 490 |
| Asset depreciation range | --- | --- | --- | --- | 700 | 860 | 1,250 | 1,260 | 1,405 | 1,590 |
| Amortization of business start-up costs | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Capital gains other than agriculture, timber, iron ore, and coal | 500 | 525 | 525 | 425 | 5,980 | 7,400 | 5,880 | 6,895 | 5,785 | 6,215 |
| Capital gains at death | --- | --- | --- | --- | --- | --- | --- | 5,000 | 6,450 | 6,720 |
| Corporate surtax exemption | 1,800 | 2,000 | 2,300 | 2,000 | 2,300 | 2,500 | 3,100 | 3,270 | 3,345 | 5,020 |
| Reduced rates on the first \$100,000 of corporate income | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Investment credit, other than for ESOP's, rehabilitation of structures, and energy | 2,300 | 3,000 | 2,630 | 910 | 1,800 | 3,800 | 4,300 | 4,570 | 5,810 | 8,260 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 376 <u>Other Advancement and Regulation of Commerce (continued)</u> | | | | | | | | | | |
| Exemption of credit union income | 165 | 80 | 90 | 110 | 115 | 125 | 140 | 155 | 170 | 190 |
| Exclusion of interest on life insurance savings | 1,815 | 2,025 | 2,475 | 3,365 | 4,080 | 4,770 | 5,570 | 6,500 | 7,585 | 8,845 |
| Deductibility of interest on consumer credit | 2,310 | 2,120 | 2,585 | 3,595 | 5,260 | 6,040 | 7,050 | 7,965 | 9,005 | 10,175 |
| Expensing of construction period interest and taxes | 625 | 640 | 615 | 695 | 760 | 875 | 915 | 990 | 1,065 | 1,140 |
| Excess first-year depreciation | 180 | 190 | 185 | 185 | 195 | 205 | 215 | 230 | 245 | 250 |
| Depreciation on rental housing in excess of straight line | 505 | 370 | 360 | 350 | 400 | 425 | 455 | 495 | 535 | 580 |
| Depreciation on buildings (other than rental housing) in excess of straight line | 395 | 265 | 255 | 255 | 265 | 285 | 315 | 350 | 395 | 450 |
| Asset depreciation range | 1,805 | 2,360 | 2,590 | 3,030 | 3,765 | 4,110 | 4,555 | 4,510 | 4,200 | 4,035 |
| Amortization of business start-up costs | --- | --- | --- | --- | 20 | 75 | 115 | 180 | 255 | 315 |
| Capital gains other than agriculture, timber, iron ore, and coal | 7,585 | 7,970 | 8,075 | 14,570 | 17,170 | 20,010 | 22,220 | 24,655 | 27,360 | 30,350 |
| Capital gains at death | 7,280 | 8,120 | 9,015 | 4,750 | 5,085 | 5,440 | 5,820 | 6,225 | 6,660 | 7,130 |
| Corporate surtax exemption | 4,650 | 3,885 | 3,070 | 115 | --- | --- | --- | --- | --- | --- |
| Reduced rates on the first \$100,000 of corporate income | --- | --- | 3,270 | 7,555 | 7,395 | 7,590 | 8,495 | 9,485 | 10,520 | 11,650 |
| Investment credit, other than for ESOP's, rehabilitation of structures, and energy | 10,610 | 13,125 | 16,070 | 18,615 | 19,525 | 20,765 | 23,080 | 25,445 | 28,000 | 30,915 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|--|------|------|------|------|------|------|------|------|------|------|
| 400 TRANSPORTATION | | | | | | | | | | |
| 401 <u>Ground Transportation</u> | | | | | | | | | | |
| Five-year amortization on railroad rolling stock | --- | --- | --- | 105 | 45 | 80 | 40 | 70 | 55 | 30 |
| Deductibility of nonbusiness state gasoline taxes | --- | --- | --- | --- | --- | --- | --- | 865 | 820 | 575 |
| 403 <u>Water Transportation</u> | | | | | | | | | | |
| Deferral of tax on shipping companies | 10 | 10 | 10 | 10 | 10 | 30 | 40 | 35 | 70 | 105 |
| 450 COMMUNITY AND REGIONAL DEVELOPMENT | | | | | | | | | | |
| 451 <u>Community Development</u> | | | | | | | | | | |
| Five-year amortization for rehabilitation of housing | --- | --- | --- | --- | 25 | 40 | 50 | 85 | 105 | 90 |
| Investment credit for rehabilitation of structures | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 500 EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES | | | | | | | | | | |
| 502 <u>Higher Education</u> | | | | | | | | | | |
| Exclusion of scholarship and fellowship income | 50 | 60 | 60 | 60 | 110 | 125 | 140 | 195 | 200 | 210 |
| Employer educational assistance | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Exclusion of interest on state and local student loan bonds | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|--|------|------|------|------|------|------|------|------|------|------|
| 400 TRANSPORTATION | | | | | | | | | | |
| 401 <u>Ground Transportation</u> | | | | | | | | | | |
| Five-year amortization on railroad rolling stock | -35 | -40 | -40 | -40 | -40 | -40 | -35 | -20 | --- | --- |
| Deductibility of nonbusiness state gasoline taxes | 795 | 760 | 350 | --- | --- | --- | --- | --- | --- | --- |
| 403 <u>Water Transportation</u> | | | | | | | | | | |
| Deferral of tax on shipping companies | 90 | 105 | 75 | 70 | 75 | 75 | 80 | 90 | 95 | 105 |
| 450 COMMUNITY AND REGIONAL DEVELOPMENT | | | | | | | | | | |
| 451 <u>Community Development</u> | | | | | | | | | | |
| Five-year amortization for rehabilitation of housing | 30 | 15 | 15 | 15 | 25 | 35 | 35 | 35 | 25 | 10 |
| Investment credit for rehabilitation of structures | --- | --- | 65 | 180 | 295 | 335 | 385 | 425 | 460 | 495 |
| 500 EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES | | | | | | | | | | |
| 502 <u>Higher Education</u> | | | | | | | | | | |
| Exclusion of scholarship and fellowship income | 250 | 295 | 355 | 375 | 410 | 490 | 565 | 655 | 765 | 885 |
| Employer educational assistance | --- | --- | 20 | 30 | 35 | 40 | 45 | 25 | --- | --- |
| Exclusion of interest on state and local student loan bonds | --- | --- | --- | --- | 80 | 125 | 170 | 215 | 260 | 300 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 502 Higher Education (continued) | | | | | | | | | | |
| Parental personal exemption for students age 19 or over | 500 | 500 | 525 | 500 | 550 | 640 | 675 | 655 | 670 | 690 |
| Deductibility of charitable contributions (education) | 170 | 200 | 200 | 200 | 275 | 275 | 300 | 510 | 645 | 665 |
| 504 Training and Employment | | | | | | | | | | |
| Maximum tax on personal service income | --- | --- | --- | --- | --- | --- | --- | 330 | 400 | 480 |
| Credit for child and dependent care expenses | 25 | 25 | 25 | 25 | 30 | 180 | 180 | 230 | 295 | 330 |
| Deduction/credit for employment of AFDC recipients and public assistance recipients under work incentive programs | --- | --- | --- | --- | --- | 5 | 5 | 5 | 10 | 10 |
| General jobs credit | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Targeted jobs credit | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Five-year amortization of child care facilities | --- | --- | --- | --- | --- | 5 | 5 | 5 | 5 | 5 |
| 505 Other Labor Services | | | | | | | | | | |
| Exclusion of employee meals and lodging (other than military) | 150 | 165 | 170 | 170 | 170 | 170 | 170 | 175 | 265 | 285 |
| Investment credit for ESOP's | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 506 Social Services | | | | | | | | | | |
| Deductibility of charitable contributions, other than education and health ^e | 2,200 | 3,000 | 3,450 | 3,550 | 3,200 | 3,100 | 3,400 | 4,110 | 3,725 | 3,285 |
| Exclusion of contributions to prepaid legal services plans | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|
| 502 Higher Education (continued) | | | | | | | | | | |
| Parental personal exemption for students age 19 or over | 750 | 770 | 935 | 1,030 | 1,045 | 1,055 | 1,065 | 1,075 | 1,085 | 1,095 |
| Deductibility of charitable contributions (education) | 755 | 840 | 1,030 | 1,110 | 1,260 | 1,460 | 1,740 | 2,060 | 2,460 | 2,930 |
| 504 Training and Employment | | | | | | | | | | |
| Maximum tax on personal service income | 730 | 665 | 1,335 | 1,265 | 1,655 | 2,105 | 2,640 | 3,270 | 4,085 | 5,110 |
| Credit for child and dependent care expenses | 840 | 525 | 610 | 820 | 1,025 | 1,175 | 1,350 | 1,555 | 1,785 | 2,055 |
| Deduction/credit for employment of AFDC recipients and public assistance recipients under work incentive programs | 15 | 15 | 60 | 50 | 60 | 60 | 65 | 70 | 70 | 75 |
| General jobs credit | --- | 2,460 | 1,895 | 190 | 85 | 25 | 15 | 10 | 10 | --- |
| Targeted jobs credit | --- | --- | 140 | 125 | 275 | 180 | 20 | b | --- | --- |
| Five-year amortization of child care facilities | b | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 505 Other Labor Services | | | | | | | | | | |
| Exclusion of employee meals and lodging (other than military) | 330 | 300 | 325 | 350 | 380 | 410 | 445 | 485 | 525 | 570 |
| Investment credit for ESOP's | 245 | 255 | 385 | 700 | 770 | 820 | 895 | 580 | 195 | 115 |
| 506 Social Services | | | | | | | | | | |
| Deductibility of charitable contributions, other than education and health ^e | 4,255 | 4,685 | 5,715 | 6,155 | 7,520 | 9,015 | 10,825 | 13,055 | 15,755 | 19,020 |
| Exclusion of contributions to prepaid legal services plans | 5 | 10 | 15 | 20 | 35 | 10 | --- | --- | --- | --- |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 550 HEALTH | | | | | | | | | | |
| 551 <u>Health Care Services</u> | | | | | | | | | | |
| Exclusion of employer contributions for medical insurance premiums and medical care | 1,100 | 1,400 | 1,450 | 1,450 | 2,000 | 2,500 | 3,000 | 2,940 | 3,275 | 3,665 |
| Deductibility of medical expenses | 1,500 | 1,600 | 1,700 | 1,700 | 1,900 | 1,900 | 2,100 | 2,125 | 2,315 | 2,020 |
| Exclusion of interest on state and local hospital bonds | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Deductibility of charitable contributions (health) ^f | --- | --- | --- | --- | --- | --- | --- | --- | 1,045 | 930 |
| 554 <u>Consumer and Occupational Health and Safety</u> | | | | | | | | | | |
| Expensing of removal of barriers to the handicapped | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 600 INCOME SECURITY | | | | | | | | | | |
| 601 <u>General Retirement and Disability Insurance</u> | | | | | | | | | | |
| Exclusion of social security benefits ^g | | | | | | | | | | |
| Disability insurance benefits | --- | 100 | 120 | 130 | 155 | 175 | 200 | 235 | 275 | 315 |
| OASI benefits for retired workers | 2,300 | 2,700 | 2,800 | 2,950 | 3,250 | 3,550 | 4,700 | 2,530 | 2,740 | 3,045 |
| Benefits for dependents and survivors | --- | --- | --- | --- | --- | --- | --- | 410 | 450 | 495 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| 550 HEALTH | | | | | | | | | | |
| 551 <u>Health Care Services</u> | | | | | | | | | | |
| Exclusion of employer contributions for medical insurance premiums and medical care | 5,195 | 6,340 | 8,255 | 12,965 | 14,165 | 16,610 | 19,485 | 22,855 | 26,810 | 31,445 |
| Deductibility of medical expenses | 2,585 | 2,435 | 2,890 | 3,585 | 3,580 | 4,080 | 4,650 | 5,305 | 6,045 | 6,610 |
| Exclusion of interest on state and local hospital bonds | --- | --- | --- | --- | 580 | 670 | 785 | 880 | 980 | 1,070 |
| Deductibility of charitable contributions (health) ^f | 1,050 | 1,035 | 1,260 | 1,355 | 1,620 | 1,915 | 2,185 | 2,765 | 3,320 | 3,985 |
| 554 <u>Consumer and Occupational Health and Safety</u> | | | | | | | | | | |
| Expensing of removal of barriers to the handicapped | 5 | 10 | 10 | b | --- | --- | --- | --- | --- | --- |
| 600 INCOME SECURITY | | | | | | | | | | |
| 601 <u>General Retirement and Disability Insurance</u> | | | | | | | | | | |
| Exclusion of social security benefits ^g | | | | | | | | | | |
| Disability insurance benefits | 380 | 550 | 615 | 685 | 815 | 955 | 1,055 | 1,185 | 1,350 | 1,575 |
| OASI benefits for retired workers | 3,125 | 4,210 | 5,455 | 6,880 | 9,020 | 11,265 | 13,260 | 15,605 | 18,320 | 21,435 |
| Benefits for dependents and survivors | 730 | 950 | 825 | 990 | 1,250 | 1,480 | 1,695 | 1,945 | 2,225 | 2,535 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 601 <u>General Retirement and Disability Insurance (continued)</u> | | | | | | | | | | |
| Exclusion of railroad retirement system benefits | --- | --- | --- | --- | --- | --- | --- | 160 | 170 | 185 |
| Exclusion of workmen's compensation benefits | 150 | 180 | 210 | 210 | 320 | 375 | 400 | 520 | 505 | 555 |
| Exclusion of special benefits for disabled coal miners | --- | --- | --- | --- | --- | --- | --- | --- | 50 | 50 |
| Exclusion of sick and disability pay | 85 | 95 | 105 | 105 | 120 | 225 | 240 | 255 | 315 | 330 |
| Net exclusion of pension contributions and earnings | | | | | | | | | | |
| Employer plans | 3,000 | 4,000 | 3,150 | 3,075 | 3,650 | 4,000 | 4,400 | 4,790 | 5,225 | 5,745 |
| Plans for self-employed and others | 60 | 135 | 160 | 175 | 250 | 200 | 200 | 230 | 390 | 770 |
| Exclusion of other employee benefits | | | | | | | | | | |
| Premiums on group term life insurance | 400 | 400 | 440 | 440 | 500 | 550 | 600 | 680 | 740 | 805 |
| Premiums on accident and disability insurance | 25 | 25 | 25 | 25 | 30 | 35 | 40 | 40 | 50 | 55 |
| Additional exemption for the blind | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 15 | 10 | 20 |
| Additional exemption for the elderly | --- | --- | --- | --- | --- | --- | --- | 1,150 | 1,100 | 1,155 |
| Tax credit for the elderly | --- | --- | --- | --- | --- | --- | --- | 100 | 130 | 120 |
| 603 <u>Unemployment Compensation</u> | | | | | | | | | | |
| Exclusion of other employee benefits | | | | | | | | | | |
| Income of trusts to finance supplementary unemployment benefits | 25 | 15 | 15 | 20 | 5 | 5 | 5 | 5 | 5 | 5 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| 601 <u>General Retirement and Disability Insurance (continued)</u> | | | | | | | | | | |
| Exclusion of railroad retirement system benefits | 200 | 265 | 275 | 330 | 380 | 435 | 500 | 570 | 655 | 750 |
| Exclusion of workmen's compensation benefits | 705 | 835 | 1,035 | 1,165 | 2,675 | 3,260 | 3,965 | 4,825 | 5,870 | 7,145 |
| Exclusion of special benefits for disabled coal miners | 50 | 50 | 50 | 50 | 100 | 105 | 110 | 120 | 130 | 140 |
| Exclusion of sick and disability pay | 50 | 75 | 140 | 185 | 170 | 170 | 170 | 170 | 170 | 170 |
| Net exclusion of pension contributions and earnings | | | | | | | | | | |
| Employer plans | 8,715 | 9,940 | 11,325 | 12,925 | 23,605 | 27,905 | 32,930 | 38,855 | 45,850 | 54,100 |
| Plans for self-employed and others | 1,305 | 1,650 | 1,920 | 2,125 | 2,105 | 2,305 | 2,525 | 2,770 | 3,040 | 3,345 |
| Exclusion of other employee benefits | | | | | | | | | | |
| Premiums on group term life insurance | 800 | 905 | 875 | 1,485 | 1,855 | 2,055 | 2,275 | 2,520 | 2,790 | 3,090 |
| Premiums on accident and disability insurance | 70 | 75 | 75 | 90 | 100 | 105 | 110 | 120 | 130 | 140 |
| Additional exemption for the blind | 20 | 20 | 30 | 40 | 30 | 30 | 30 | 30 | 30 | 30 |
| Additional exemption for the elderly | 1,220 | 1,155 | 1,670 | 1,970 | 2,260 | 2,505 | 2,800 | 3,015 | 3,485 | 3,885 |
| Tax credit for the elderly | 495 | 250 | 160 | 135 | 125 | 120 | 115 | 110 | 105 | 100 |
| 603 <u>Unemployment Compensation</u> | | | | | | | | | | |
| Exclusion of other employee benefits | | | | | | | | | | |
| Income of trusts to finance supplementary unemployment benefits | 10 | 10 | 10 | 10 | 20 | 20 | 25 | 30 | 30 | 35 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|---|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|
| 603 <u>Unemployment Compensation</u> (continued) | | | | | | | | | | |
| Exclusion of untaxed unemployment insurance benefits | 300 | 325 | 350 | 400 | 800 | 700 | 550 | 1,050 | 2,300 | 3,305 |
| 604 <u>Housing Assistance</u> | | | | | | | | | | |
| Exclusion of interest on state and local housing bonds for rental housing | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 609 <u>Other Income Security</u> | | | | | | | | | | |
| Exclusion of public assistance benefits | 50 | 50 | 50 | 50 | 65 | 65 | 70 | 75 | 105 | 115 |
| Deductibility of casualty and theft losses | 70 | 80 | 80 | 80 | 165 | 150 | 150 | 255 | 280 | 300 |
| Earned income credit ^h | --- | --- | --- | --- | --- | --- | --- | --- | --- | 290 |
| Excess of percentage standard deduction over minimum standard deduction | 3,200 | 3,600 | 3,800 | 3,000 | 700 | 1,040 | 1,170 | 1,260 | 1,385 | 1,465 |
| 700 VETERANS' BENEFITS AND SERVICES | | | | | | | | | | |
| 701 <u>Income Security for Veterans</u> | | | | | | | | | | |
| Exclusion of veterans' disability compensation ¹ | 550 | 600 | 600 | 650 | 700 | 480 | 500 | 485 | 540 | 590 |
| Exclusion of veterans' pensions | --- | --- | --- | --- | --- | --- | --- | 25 | 25 | 30 |
| 702 <u>Veterans' Education, Training and Rehabilitation</u> | | | | | | | | | | |
| Exclusion of GI bill benefits | --- | --- | --- | --- | --- | --- | --- | 290 | 255 | 330 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 603 <u>Unemployment Compensation</u> (continued) | | | | | | | | | | |
| Exclusion of untaxed unemployment insurance benefits | 2,745 | 1,200 | 1,780 | 2,495 | 5,275 | 4,530 | 4,440 | 4,335 | 4,460 | 4,610 |
| 604 <u>Housing Assistance</u> | | | | | | | | | | |
| Exclusion of interest on state and local housing bonds for rental housing | --- | --- | --- | --- | 430 | 555 | 680 | 800 | 940 | 1,095 |
| 609 <u>Other Income Security</u> | | | | | | | | | | |
| Exclusion of public assistance benefits | 100 | 345 | 355 | 395 | 465 | 510 | 580 | 665 | 755 | 860 |
| Deductibility of casualty and theft losses | 345 | 360 | 435 | 590 | 715 | 895 | 1,015 | 1,195 | 1,410 | 1,665 |
| Earned income credit ^h | 395 | 285 | 265 | 415 | 635 | 575 | 525 | 475 | 460 | 425 |
| Excess of percentage standard deduction over minimum standard deduction | 1,285 | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 700 VETERANS' BENEFITS AND SERVICES | | | | | | | | | | |
| 701 <u>Income Security for Veterans</u> | | | | | | | | | | |
| Exclusion of veterans' disability compensation ⁱ | 655 | 840 | 905 | 1,050 | 1,300 | 1,575 | 1,860 | 2,135 | 2,460 | 2,825 |
| Exclusion of veterans' pensions | 30 | 40 | 45 | 50 | 85 | 95 | 105 | 120 | 130 | 145 |
| 702 <u>Veterans' Education, Training and Rehabilitation</u> | | | | | | | | | | |
| Exclusion of GI bill benefits | 255 | 200 | 195 | 160 | 180 | 160 | 130 | 110 | 90 | 75 |

(Continued)

TABLE 1. (Continued)

| Function and Subfunction | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 800 GENERAL GOVERNMENT | | | | | | | | | | |
| 806 <u>Other General Government</u> Credits for political contributions | --- | --- | --- | --- | --- | 100 | 100 | 10 | 40 | 40 |
| 850 GENERAL PURPOSE FISCAL ASSISTANCE | | | | | | | | | | |
| 851 <u>General Revenue Sharing</u> Exclusion of interest on general purpose state and local debt | 1,800 | 2,000 | 2,200 | 2,300 | 2,600 | 2,900 | 3,300 | 3,865 | 3,805 | 4,170 |
| Deductibility of non-business state and local taxes (other than on owner-occupied homes) | 2,800 | 4,150 | 5,100 | 5,600 | 5,600 | 5,300 | 6,000 | 6,955 | 8,490 | 6,505 |
| 852 <u>Other General Purpose Fiscal Assistance</u> Tax credit for corporations receiving income from doing business in United States possessions | 70 | 80 | 85 | 80 | 80 | 80 | 80 | 355 | 245 | 240 |
| Exclusion of income earned by individuals in United States possessions | 10 | 10 | 10 | 10 | 10 | 10 | 10 | --- | --- | --- |
| 900 INTEREST | | | | | | | | | | |
| 901 <u>Interest on the Public Debt</u> Deferral of interest on savings bonds | --- | --- | --- | --- | --- | --- | --- | --- | 525 | 605 |

(Continued)